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# Illinois Rail Plan

Annual Update

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Preliminary Draft

June 1978



Illinois Department  
of Transportation  
Office of Policy and Planning





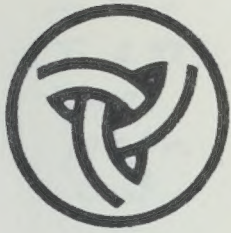
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# Illinois Department of Transportation

Office of the Secretary  
2300 South Dirksen Parkway / Springfield, Illinois/62764  
Telephone 217/782-5597

June 15, 1978

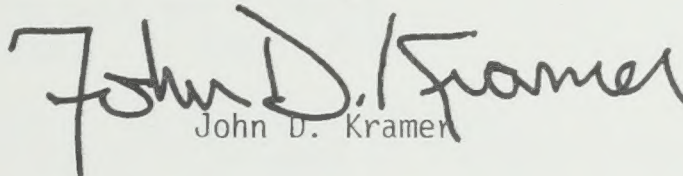
TO: Illinois Rail Plan Recipient

Attached is a draft of the 1978 update to the Illinois Rail Plan. The purpose of the document is to present the results of the Department's analysis of rail service in Illinois, and to inform the public of the Department's priorities for public investment in Illinois rail freight service. The 1978 update also presents the new direction for rail planning, which will be used in the development of future updates. For this reason, we are particularly concerned with receiving the input of all interested parties that may be affected by the plan.

The Department has scheduled a series of public hearings at five locations around the State. The schedule appears in the Preface of the draft. I urge you to review this document and present your comments at one of the public hearings. If you would like to reserve a period of time for testimony at one of the hearings, contact the Bureau of Planning at 217/782-4904.

Your interest in the future of the Illinois Rail Plan is appreciated. I look forward to your continued participation.

Sincerely,

  
John D. Kramer

Attach.

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PREFACE

This document is a preliminary draft of the Illinois Rail Plan 1978 annual update. It is offered in the hope that it will stimulate discussion of the future of rail service in Illinois and invite public comment on the issue. The Illinois Department of Transportation will hold public hearings on the preliminary draft according to the following schedule:

Annual Update

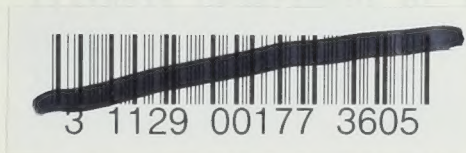
July 6, 1978 -- Quincy, Illinois  
Quincy City Council Chambers  
City of Quincy  
507 Vermont  
Quincy, Illinois 62301

June, 1978

July 7, 1978 -- Carbondale, Illinois  
Carbondale Community College  
2401 West Main Street  
Carbondale, Illinois 62901

Preliminary Draft

July 11, 1978 -- Ottawa, Illinois  
Illinois Department of Transportation  
Ottawa, Illinois



July 12, 1978 -- Urbana, Illinois  
Urbana Civic Center  
108 East Water Street  
Urbana, Illinois 61701

July 13, 1978 -- Springfield, Illinois  
Illinois Department of Transportation  
Auditorium

Illinois Department of Transportation

Public hearings will be held from 2:00 p.m. to 5:00 p.m. and from 7:00 p.m. to 9:00 p.m. at each location. The Department of Transportation will give a short presentation at the beginning of each session.

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## PREFACE

This document is a preliminary draft of the Illinois Rail Plan 1978 annual update. It is offered in the hope that it will stimulate discussion of the future of rail service in Illinois and evoke public comment on the issue. The Illinois Department of Transportation will hold public hearings on this preliminary draft according to the following schedule:

July 6, 1978 -- Quincy, Illinois

Quincy City Council Chambers  
City Hall  
507 Vermont  
Quincy, Illinois 62301

July 7, 1978 -- Carbondale, Illinois

Ramada Inn of Carbondale  
2400 West Main Street  
Carbondale, Illinois 62901

July 11, 1978 -- Ottawa, Illinois

Illinois Department of Transportation  
District Three Office Building  
700 East Norris Drive  
Ottawa, Illinois 61350

July 12, 1978 -- Urbana, Illinois

Urbana Civic Center  
108 East Water Street  
Urbana, Illinois 61701

July 13, 1978 -- Springfield, Illinois

Illinois Department of Transportation  
Auditorium  
2300 South Dirsens Parkway  
Springfield, Illinois 62764

Public hearings will be held from 2:00 p.m. to 5:00 p.m. and from 7:00 p.m. to 9:00 p.m. at each location. The Department of Transportation will give a short presentation at the beginning of each session.

All hearings will continue until all witnesses have had a chance to be heard. All written and oral testimony will be made part of a written record which will be open for public inspection. If it is not feasible to attend a hearing, written comments may be submitted to the Department's Bureau of Planning located at 2300 S. Dirksen Parkway, Springfield, Illinois 62764 until July 14, 1978. The hearings and comments will provide a basis for revisions to this preliminary draft.

The revised version of the Illinois Rail Plan 1978 annual update will be submitted to the Federal Railroad Administration by August 1, 1978. The Plan will qualify the State of Illinois to continue to receive Sec. 803 funds under the Railroad Revitalization and Regulatory Reform Act of 1976.



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## EXECUTIVE SUMMARY

The purpose of the Illinois Rail Plan 1978 update is two-fold: (1) to present for public review and comment the new rail planning process to be used in the future and (2) to present the analysis of branchlines pending abandonment this year using the line-by-line approach of previous plans. This document, to be submitted to the Federal Railroad Administration on August 1, 1978, will qualify the State to receive federal funds used to continue local rail service.

### New Planning Process

The Illinois Rail Plan 1978 update is a major step toward a permanent program of productive state involvement in maintaining the private rail system. The plan introduces the public to the basic ideas which, in the coming months, will lay the groundwork for an on-going rail planning process. The Department earnestly seeks the comments and contributions of all those involved with this plan--shippers, railroad personnel, state and local agencies, labor, business, consumers, Federal agencies, and taxpayers--in order to make the planning/programming process most accurately reflect the needs and wishes of the people of Illinois.

Previous plans have reviewed all branch lines in the state but have been oriented toward lines which were already abandoned or pending abandonment. This emphasis was appropriate given the existing Federal laws which only allowed the state to continue service or improve track on abandoned lines.

However, the approach of assisting a rail line only after it has been abandoned has several problems:

- a. The assistance comes only after condition of the track has deteriorated, traffic has dropped and the line has been publicly identified as a "problem" line.

Many of the costs of abandonment have already been paid by shippers and local communities. The costs of improving service have increased as the condition of the line fell.

- b. The arrival of assistance after this track and traffic deterioration means that operating costs will be high and revenues will be low. It is unnecessarily expensive and administratively burdensome to return a line to profitability "after the fact."

These problems argue in favor of a shift away from only analyzing lines which have been abandoned or are pending abandonment. Instead, a new planning and programming goal emerges:

The Department will strive to study the way in which the branchline system operates and contributes to the rail system as a whole, and will seek to identify those portions that are essential to the economy of the State and the Nation on which maximum public benefit can be obtained at a minimum cost.

To translate this new goal into guidelines for specific planning/programming decisions, the Department has identified five specific objectives for the branchline program.

1. Economic Viability

Rail services which can make money for the operating railroad should be retained. A rail line operating at a continuing loss drains its operator of financial resources and could endanger the system overall. The operation, costs, revenues, and capital needs of the rail line must be analyzed to determine whether it can be returned to viability through the application of capital assistance. The option of providing a subsidy should be exercised only as a last resort, only for a limited time frame, and only in the most exceptional circumstances.

2. Benefits and Costs

The benefits gained through capital assistance must be greater than the costs of the assistance. It is imperative that there be a positive return on investment for the railroad, the user, and the public.



3. Provide Adequate Rail Service to Meet Present and Short-Range Future Transportation Needs of the State and Local Economies

The need for rail service to meet commodity flow demands necessary to preserve the present and future viability of the State and local economies is a concern of the State. Based on sound projections of highly predictable commodity flows, this demand can be anticipated and reflected in the State's rail planning and programming efforts.

4. Optimal Resources Use

Man's use of environment, energy and other resources has been a major issue over the past several years in this country. It is becoming increasingly apparent that the optimal use of these resources is necessary and that a solution to the railroad "problem" must take this into account. The State recognizes that this optimal use of resources may not always mean continued rail service.

5. Minimize Government Involvement

Railroads and rail service are publicly regulated, but are carried on by private enterprise. Government involvement should be limited to steps which will help strengthen and maintain private-sector rail service. Specific capital investments are the most appropriate form for that government involvement. Short-term operating subsidies should be available only as an interim measure when absolutely necessary and only as part of a larger project leading to returning a line to the private sector.

The crux of the analysis used in this new approach is the comparison of each line's rehabilitation cost with the benefits of the line carrying out its potential function. Conceptually, this benefit/cost analysis can be defined as:

$$\frac{B}{C} = \frac{SB}{SI} + \frac{RB}{SI} + \frac{PB}{SI}$$

Where,

$\frac{B}{C}$  = ratio of benefits and costs of retaining rail service  
SB = Shipper Benefits  
RB = Railroad Benefits  
PB = Public Benefits, and  
SI = State Investment

This approach will permit the Department to identify three distinct sets of benefits for a rail line: (1) shipper benefits primarily as the avoidance of increased transportation cost which would result from using other modes; (2) railroad benefits, as the incremental net revenue gained from capital assistance to the line; and (3) public benefit as the beneficial impacts of operating the line on the local economy, environment, and energy consumption. In each case, these benefits will be measured against the needed State capital investment in the line. This investment will be primarily the amortized cost of rehabilitation to the line.

As stated earlier, one of the purposes of the 1978 State Rail Plan Update is to present to the public the basic outline and components of a new approach by the Department to rail problems in Illinois. This new approach, which will be implemented in the forthcoming year, will broaden the scope of future updates to the State Rail Plan and provide an analysis of branchlines within the context of a total rail system. Again, it is earnestly hoped that the public will review and comment on the new direction presented in this chapter. In particular, the Department is seeking comments on the new benefit/cost analysis described and on methods of measuring the specific factors included in that analysis.

#### 1978 Plan Update Results

To update the Illinois Rail System Plan, two categories of lines were analyzed in depth: (1) lines for which abandonment applications have been filed since August 1, 1977 and (2) lines which were analyzed in the 1977 update but had significant changes in the application since that update. Table 1, on page xi, summarizes the total scope of the analysis portion of the State Rail Plan.

Of the six lines for which abandonment applications have been filed since August 1, 1977, five lines were found to merit further detailed analysis. One line, Quincy to East Hannibal, was not analyzed in detail since there has been no service since July, 1976.

The remaining five lines were analyzed in detail as shown in Appendix A. Also analyzed in detail were three lines which were analyzed in the 1977 update but had significant changes in the applications since that update. These three lines were, Ashland to Mason City, North Henderson to Alexis, and Freeport to Madison, Wisconsin.

These eight lines were then put through a preliminary ranking analysis. The results are shown in Table 2. Also shown are those lines analyzed in the 1977 update which still have pending abandonment applications. It should be emphasized that the analysis under these criteria does not yield numerical scores for precise rank-ordering of all lines studies. Rather, this analysis organizes the lines into categories that can be used to guide the investment of funds available for rail service continuation.

#### Financial Summary

In total, 25 lines are pending abandonment. If service were continued on all 25 lines, the total estimated cost of annual operating assistance and total rehabilitation would be approximately \$20 million. Table 3 summarizes these costs. Illinois is currently entitled to approximately \$6 million in federal funds for fiscal year 1979 under the RRRRA. It is obvious that this amount is not sufficient to fund all of the lines currently pending abandonment.



Although additional funding may be available to Illinois, this will depend upon three variables: 1) the number of lines which become eligible in the State; 2) the number of lines which become eligible for the nation as a whole; and 3) the amount of money spent by other states. None of these variables is known at this time. In any event, even if additional funding becomes available, it is unlikely that the amount attributable to Illinois will be in the range of \$20 million.

The set of criteria developed by the State for the development of a solution for each line selected as a candidate for public investment is discussed in Chapter Five. It is realized that any particular pending abandonment may be granted in the future without regard to category. The Department will decide the feasibility of public investment on specific lines after the abandonments have been granted.

#### Conclusion

The State Rail Plan is only one part of what the State is doing to address the new challenges to the midwest rail system. Through the Department of Transportation, the State is also working with national organizations, such as the National Conference of State Railroad Officials, and other midwestern states on the issues of midwest rail system structure, pending and possible mergers, region-wide rates, and rail car availability. The Rail Plan forms the foundation for State involvement in rail issues and problems.

Table 1. SCOPE OF THE PLAN

		Miles	Lines
Eligible For Assistance	Penn-Central <sup>1</sup> (not in Conrail)	174	5
	Current Program Out of Service	33	5
	Granted Abandonments (since Jan. 2, 1974)	222	19
Federal Legislation Pending	Pending Abandonments	705	25
	Potential Abandonments	624	30
Total in Plan Update		1752 <sup>2</sup>	

1. Does not include 7 lines totaling 138.4 miles which were not included in Conrail but were either sold to other carriers or were Trackage Rights cases becoming ineligible when sold or terminated.
2. Comprising 16% of 10,673 total miles in the Illinois Rail System.

Table 2. LEVEL 3 ANALYSIS: CRITERIA APPLICATION AND RESULTS

Lines Analyzed in 1978 Plan Update										
Line	Public Comment	Length (Miles)	Rehab. Cost to FRA Class 1 (Dollars)	Annual Oper. Cost (Dollars)	Future Viability	Benefit/Cost	Essential to System	Alternate Modes	Category	
Rockford-Winnebago AB-1(63)		6.9	285,000	48,547	Yes	0.31	No	Yes	4	
Mt. Vernon-(West) AB-3(16F)		3.6	42,000	52,119	No	0.72	No	Yes	5	
North Henderson-Alexis AB-6(43) <sup>1/</sup>		5.5	344,000	33,537	Yes	2.47	No	No	2	
Quincy-East Hannibal AB-6(46)		12.6	This line has not been operated since July 25, 1976.							
Kirkland-DeKalb AB-7(51)		14.5	928,000	40,718	No	0.13	Yes	Yes	4	
Momence-Joliet AB-7(52F)		35.0	2,130,000	215,832	No	0.41	Yes	No	3	
Freeport-Madison, Wis. AB-43(26) <sup>2/</sup>		No traffic on Illinois section so economic analysis not applicable.								
Ashland-Mason City AB-43(31) <sup>1/</sup>		26.5	0	151,350	Yes	1.04	Yes	No	1	
Barnes-Herscher AB-43(43)		63.0	3,100,000	223,508	Yes	2.62	Yes	No	1	
Lines Analyzed in 1977 Plan Update										
Cambon-W. Frankfort AB-6(44)	No	3.99	58,200	31,100	No	0.56	Yes	Yes	4	
S. of Streator-N. of Fairbury AB-10(6)	Yes	27.13	600,000	200,400	No	0.47	No	No	4	
Elvaston-Versailles AB-10(10)	Yes	54.5	3,796,000	439,500	No	0.32	No	Yes	5	
Joppa Jct.-Fayville Jct. AB-11(0)	Yes	25.7	0	135,700	No	0.69	Yes	No	3	
Goodwine-Alonzo AB-11(3)	Yes	3.03	164,700	32,800	Yes	1.08	No	No	2	



Table 2. LEVEL 3 ANALYSIS: CRITERIA APPLICATION AND RESULTS (Cont'd.)

Line	Public Comment	Length (Miles)	Rehab. Cost to FRA Class 1 (Dollars)	Annual Oper. Cost (Dollars)	Future Via- bility	Benefit/ Cost	Essen- tial to System	Alter- nate Modes	Category
Coalshaft-Beardstown FD#26745	Yes	43.7	1,630,600	186,500	No	0.18	Yes	Yes	4
Springfield-Flora AB-19(27)	Yes	103.29	0	497,700	Yes	1.67	Yes	Yes	2
Elco-Murphysboro AB-43(16)	Yes	36.0	624,700	300,000	No	0.04	Yes	Yes	4
San Jose-Croft AB-43(18)	Yes	18.17	584,100	74,900	No	1.18	No	Yes	4
San Jose-Grove AB-43(19)	Yes	21.67	250,100	148,600	No	0.35	No	Yes	5
Marion-Seely AB-43(27)	Yes	14.5	144,800	32,800	Yes	4.39	No	No	2
Waggoner-Glen Carbon AB-43(30)	Yes	53.92	0	436,000	No	0.13	Yes	Yes	4
LeRoy-Fisher AB-43(32)	Yes	20.96	341,100	43,900	Yes	2.55	No	Yes	3
Pyatts-Vergennes AB-43(33)	Yes	7.4	147,300	25,900	Yes	1.84	No	Yes	3
Gifford-Potomac AB-43(34)	Yes	11.65	222,300	6,900	Yes	5.24	No	Yes	3
Dwight-Washington/Varna-Lacon FD#26764	Yes	79.6	1,238,800	425,100	No	0.37	No	Yes	5

1/ These lines analyzed in the 1977 plan update but reanalyzed in the 1978 update because of significant changes in the abandonment applications.

2/ There was no traffic on the Illinois portion of this line so the economic analysis was not applicable. The Department has been in contact with Wisconsin and will continue to coordinate with them on any actions which may be appropriate.

Table 3. LEVEL 3 SUMMARY

CATEGORY	MILES	LINES	ANNUAL OPERATING COSTS	TOTAL REHAB. COSTS	PRIORITIES FOR RAIL ASSISTANCE
1	89.50	2	374,858	3,100,000	High
2	126.32	4	596,837	653,500	Medium
3	100.71	5	428,232	2,840,700	
4	204.31	8	1,318,165	4,710,600	Low
5	159.37	4	1,065,319	5,326,900	
TOTALS	680.21	23	3,783,411	16,541,700	

NOTE: Table does not include the Quincy-East Hannibal and Freeport-Madison branch lines.







## CHAPTER 1

### BACKGROUND

More than two years have passed since the Illinois Department of Transportation published its first State Rail Plan late in the fall of 1975. During that period, many issues concerning the future of the nation's railroad system have been raised. Most remain unresolved. For instance, the Consolidated Rail Corporation (Conrail) which was to test the feasibility of restoring financial strength to the railroad industry by reducing overcapacity and duplicate service through a program of massive line consolidations and abandonments, has neither succeeded nor failed. Rather, it has produced mixed results that have led the United States Railway Association, which performed the planning that led to the formation of Conrail and now monitors its progress, to recommend continued public funding of the Conrail experiment for another year but also to begin preparing alternate recommendations should it fail to show marked improvement in that time. The Rock Island Lines, which declared bankruptcy shortly before the first State Rail Plan was published, and the Milwaukee Road, which has gone bankrupt since, have not successfully reorganized, but neither has it been proven that they cannot. In the course of public debate regarding the two major railroads, major portions of both have been viewed as absolutely essential by some, and as absolutely unessential by others. Their reorganization efforts have been complicated by a conflict between the Congress and the Executive Branch as to whether the public interest requires that substantial public funding be made available to assist them, as well as by what appears to be the beginning of a major movement toward railroad mergers of competing railroads. The

merger movement also has raised questions of intramodal and intermodal competitive balance, system capacity, system manageability and the proper role of regulation that will have importance far beyond their impact on the Rock Island and the Milwaukee Road.

In addition to the new issues that have arisen during the period since 1975, a number of long-standing issues regarding the railroad industry have also remained unresolved. The extent to which the industry is responsible for providing service when such requires major capital investments and produces a return substantially below the railroads' cost of capital was addressed by the Interstate Commerce Commission in Winnebago Farmers Coop vs. Chicago & North Western. However the decision, which simply ordered the railroad to provide service to a cooperative elevator, was based on a very narrow set of facts and stopped substantially short of a comprehensive definition of what constitutes adequate service under these conditions within the meaning of the Interstate Commerce Act. In addition, the decline in the railroads' return on investment in the face of a surge of traffic that created car shortages in numerous locations, referred to by some as "the profitless boom," underlined the overriding fundamental issue of whether the railroad industry can remain economically viable in the long term without changes in regulatory and public investment policy.

In addition to events within the railroad industry that raised questions about its future, external events also clouded the nation's rail outlook. In terms of impact, the most significant of these events was the failure of any clear national energy policy to emerge. This failure has left open the questions of how much coal the railroad industry may be called upon to move in the future and where that coal



will be mined. The amount of coal to be moved is a key factor in planning for capital investment in car and locomotive supply and in determining necessary system capacity. The question of where the coal will be mined, which is important in determining where line improvement investments should be made and which railroads should acquire additional equipment, is tied to the ultimate content of Federal environmental regulations. If such regulations, for example, require all utilities to install anti-pollution equipment regardless of what kind of coal they burn, then a major shift from low-sulfur, low-energy Western coal to high-sulfur, high-energy coal such as is found in Illinois might well be anticipated.

A second major external factor effecting the railroads has been the failure of a clear national investment policy to emerge in the transportation field. This has left open questions regarding future funding of the highway and waterway networks, both of which serve major competitors of the railroads. In the highway area, the rising price of petroleum has led to a massive increase in the cost of highway construction and maintenance and a simultaneous leveling off of funds available for road projects. These funds, which are largely raised through a per-gallon fuel tax, have experienced a marked decline in growth as conservation measures and higher prices slowed fuel consumption. This situation, in turn, has led to a large and increasing backlog of deferred highway maintenance. Whether this backlog is eventually addressed through an increase in national highway user fees, which would have an impact on the costs of truck transportation, or through other means, which would result in an implicit subsidy to trucking, is a decision that will have a major impact on the future structure of the railroad industry. If the

backlog is addressed, in part, through an investment tradeoff that places a significant part of the rural highway system on a maintenance cycle but assumes use primarily by bus and passenger vehicles and encourages the movement of heavy freight by rail or rail-piggyback service, that decision would have a major impact on the scope of and maintenance level needed on the railroad network.

In the waterway area, efforts by the Federal Executive Branch to implement a user fee on barge companies that would recover a portion of the costs of future waterway capital improvements and operating costs have met with substantial resistance in Congress. The outcome of that conflict will have an impact on barge costs which currently contain no charge for the use of the river system, and thus on competition between the rail and barge industries in the cost-sensitive bulk commodities transportation market.

An external factor related to both national energy policy and national transportation policy that will have a major impact on the role railroads will be expected to play in the future concerns the proposed construction of slurry pipelines to carry coal. These pipelines, which would carry powdered coal suspended in water, would require a governmental exercise of eminent domain and a subsequent grant of the land to the slurry pipeline in order to be economically constructed. The debate over whether such a grant should be made has centered on whether slurry pipelines are more energy efficient than other coal-carrying transportation modes, whether they are more cost effective, whether they create an untenable demand for water and whether they could effectively serve all customers or would service only the most lucrative volume contracts to the ultimate detriment of other coal



consumers. The outcome of the debate will have major implications for railroad car supply and system structure, and it may well play a major role in determining whether some segments of the rail industry will be viable in the long-term.

A final external factor that has particular importance to the structure of the railroad industry in the Midwest is the grain marketing system. Fluctuations in the price of grain and large foreign sales have caused significant ebbs and flows in grain movement that presently have wrought havoc in the short-term with car supply. At some times grain cars have been in extremely short supply, while at other times such cars have sat idle. Of greater importance, though, is the long-term trend toward a grain marketing system structured around large terminal elevators owned by national grain companies. The interplay between the economies of this marketing system on one hand and the considerations of economic concentration and the disruption of the patterns of life in rural America that might result on the other will have important consequences for the future structure and organization of the railroad industry in the Midwest.

Just as the questions facing the railroad industry have changed and become more complex during the past two years, so too has the role played by the States in rail transportation changed and become more complex. At the time the Illinois Department of Transportation first published a State Rail Plan, most State governments had little or no experience in rail planning or rail operations. The Federal statute mandating that State Rail Plan limited the planning process to those lines in the Northeast and Midwest that were eligible to go into the Consolidated Rail Corporation but were not going to be included in the new system. The Illinois statute mandating that first plan limited the role of the Illinois Department of Transportation to planning activities. Since that time, Federal law has changed to extend the State rail planning



process nationwide and to create a partnership with State governments for the acquisition, renovation and subsidized operation of those abandoned rail lines on which continued operation is found to be in the public interest. In response to this statute, 48 states have initiated rail planning programs and thus far 22 states have implemented rail renovation or subsidy programs. The states have also formed a national organization, the National Conference of State Railway Officials, which has cooperated with the Federal Railroad Administration in such areas as developing a branch line liability insurance program and developing standards for evaluating proposed railroad upgrading projects. The Conference, with Federal financial assistance, also has recently begun to conduct multi-state planning studies. The first of these, which is currently underway, is a study of the economic impact of possible railroad mergers on the Midwest.

Since 1976, Illinois has been among the most active states in the rail program. Illinois law permits the Illinois Department of Transportation to rehabilitate or promote subsidized operations on any rail line eligible for Federal assistance. Under that statute, the Department has continued rail operations on four lines in Illinois, two of which have been brought near the break-even point and show promise of ultimately returning to the private sector, and has made improvements to more than 125 miles of track. Further improvements are being made on all four of the lines currently operating under State contract, and the Department is studying possible renovation of several other lines in the State. The experience the Department has gained through the operation of the four lines has changed the Department's tactical outlook, but it has not changed the strategic policy of the State rail program.

That policy is to preserve and promote that part of the private sector rail system that is vital to the economy of Illinois and the Nation, and to accomplish this through a program of selective government investment in the railroad network that neither burdens the railroad industry with additional debt nor burdens the public with the financial drain of permanent operating subsidies.

The change in tactical outlook brought about by the Department's recent experience in railroad operations concerns the point at which public investment can be most useful in preserving private sector railroad service. Under current Federal law, the Department can rehabilitate or subsidize operations on a line only after the railroad has been permitted to abandon its own service on it. As a result, public investment comes very late in the abandonment cycle, when the physical condition of the line has deteriorated to an extreme degree and shipper confidence in the line has declined. This leads to a situation in which the Department must make unnecessarily expensive capital improvements to renovate the line and must subsidize operations until shipper confidence can be restored. This subsidy can be difficult to terminate and expensive to administer, and it is unattractive to many private sector operators. In response to this problem, the Federal Executive Branch and the National Conference of State Railway Officials are supporting new Federal legislation that would permit the State to intervene very early in the abandonment cycle at the point at which it becomes apparent that the capital needs of the line exceed its ability to produce a return on investment, which is a point long before the formal abandonment process is started. The proposed Federal statute, which is supported by many railroads and rail shippers, would permit the State to provide assistance only to meet the capital requirements

of a line and thus allow it to remain a viable operation in the private sector. This approach, which would be available on any line carrying less than five million gross ton-miles per mile annually, should result in a lower net cost to the public and would minimize service disruptions associated with abandonment proceedings that are burdensome to both the shipping public and the owning railroad. The proposed statute would also permit the continued subsidy, for a limited period, of lines now being operated under side contract and limited operating assistance, in addition to capital assistance, for lines that are currently beyond the point at which simple capital assistance can prevent their abandonment.

In anticipation of the kind of railroad program outlined above, the Department has begun to develop a more comprehensive planning and programming process that will permit it to evaluate the need for capital investment on essential private sector branch lines throughout the State. This new process, as it is currently envisioned, would stress a study of the way in which the rail system as a whole works and the points at which public investment can produce the maximum benefit at the lowest cost.

Public comment on this process before it is formally implemented is important if the Department is to develop the best possible planning and programming basis for its railroad program. For that reason, the new planning and programming process is outlined in the following Chapter. The Department urges all interested parties to study the proposed process and to make suggestions that would improve it, either during the public hearings that will be held on this State Rail Plan or at any other time.







## CHAPTER TWO

### DEVELOPMENT OF THE RAIL PLANNING PROCESS

This year's Rail Plan update has two purposes: (1) to present for public review and comment the new rail planning process to be used in future and (2) to present the analysis completed this year of branchlines pending abandonment, using the line-by-line approach of previous plans. This Chapter presents the new rail planning process. It is hoped that the public will closely review the contents of this portion of the Rail Plan and offer opinions as to the new direction the Department is undertaking.

The State Rail Planning and Programming Process focuses on the branchline rail system. While many standards have been suggested to differentiate branchlines from mainlines, the Department is currently basing its plans on the traffic density measure which is likely to be used in the new federal legislation. This standard defines branch lines as all lines carrying less than five million gross ton-miles per mile annually. This approximate system of branchlines, and that of the core mainlines, is shown in Figure 1. This approach contrasts with that used in previous plans, which have reviewed all branch lines in the state in very cursory manner but have been oriented toward lines which were already abandoned. This emphasis was appropriate given the existing Federal law, which allowed the state to continue service on or improve track only on abandoned lines.

As pointed out in Chapter One, the approach of assisting a rail line only after it has been abandoned has several problems:



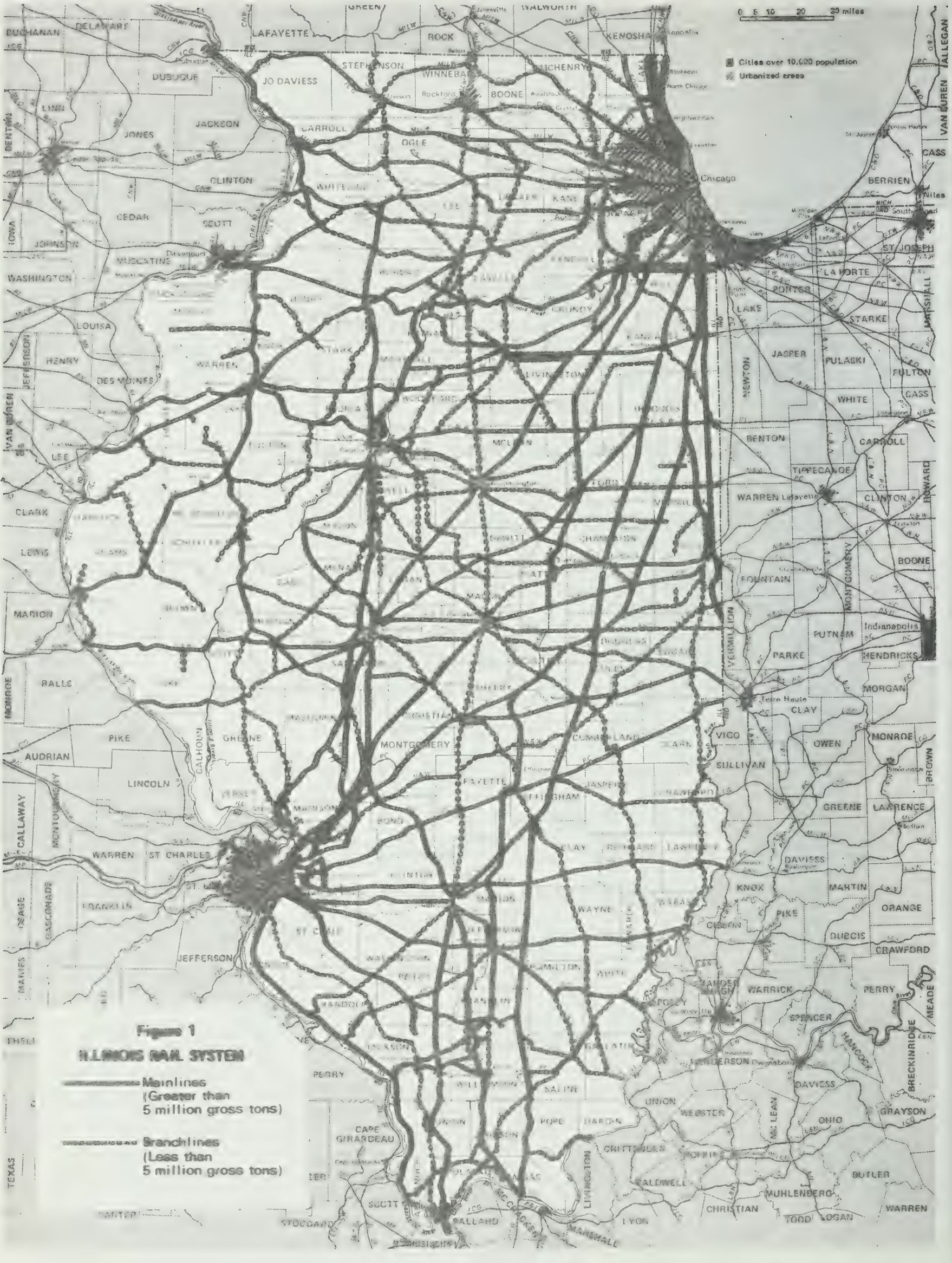


Figure 1

ILLINOIS RAIL SYSTEM

Mainlines  
(Greater than  
5 million gross tons)

Branchlines  
(Less than  
5 million gross tons)



- a. The assistance comes only after the condition of the track has deteriorated, traffic has dropped and the line has been publicly identified as a "problem" line. Many of the costs of abandonment have already been paid by shippers and local communities. The costs of improving service have increased as the condition of the line fell.
- b. The arrival of assistance after this track and traffic deterioration means that operating costs will be high and revenues will be low. It is unnecessarily expensive and administratively burdensome to return a line to profitability "after the fact".

These problems argue in favor of a shift toward the kind of new Federal legislation described in Chapter One, and for a de-emphasis on analyzing only those lines which have been abandoned or are pending abandonment. Instead, a new planning and programming goal emerges:

The Department will strive to study the way in which the branchline system operates and contributes to the rail system as a whole, and will seek to identify those portions that are essential to the economy of the State and the Nation on which maximum public benefits can be obtained at a minimum cost.

To translate this new goal into guidelines for specific planning/programming decisions, the Department has identified five specific objectives for the State Rail Plan.

1. Economic Viability

Rail services which can make money for the operating railroad should be retained. A rail line operating at a continuing loss drains its operator of financial resources and could endanger the system overall. The operation, costs, revenues and capital needs of the rail line must be analyzed to determine whether it can be returned to viability through the application of capital assistance. The option of providing a subsidy should be exercised only as a last resort, only for a limited time frame, and only in the most exceptional circumstances.

2. Benefits and Costs

The benefits gained through capital assistance must be greater than the costs of the assistance. It is

imperative that there be a positive return on investment for the railroad, the user, and the public.

3. Provide Adequate Rail Service to Meet Present and Short-Range Future Transportation Needs of the State and Local Economies

The need for rail service to meet commodity flow demands necessary to preserve the present and future viability of the State and local economies is a concern of the State. Based on sound projections of highly predictable commodity flows, this demand can be anticipated and reflected in the State's rail planning and programming efforts.

4. Optimal Resources Use

Man's use of environment, energy and other resources has been a major issue over the past several years in this country. It is becoming increasingly apparent that the optimal use of these resources is necessary and that a solution to the railroad "problem" must take this into account. The State recognizes that this optimal use of resources may not always mean continued rail service.

5. Minimize Government Involvement

Railroads and rail service are publicly regulated, but are carried on by private enterprise. Government involvement should be limited to steps which will help strengthen and maintain private-sector rail service. Specific capital investments are the most appropriate form for that government involvement. Short-term operating subsidies should be available only as an interim measure when absolutely necessary and only as part of a larger project leading to returning a line to the private sector.

Analysis

Four sets of information will form the basis for analyzing the Illinois rail system, utilizing the new rail planning process. These include:

- (1) a study of the flow of commodities through the State, based on projected production trends, and of freight costs associated with moving the commodities from origin to destination by various modes;

- (2) a study of the economic viability of all branch lines within the system, determining whether incremental revenues gained through capital improvements can make each line profitable in the long-run;
- (3) a study of the public benefits and costs in terms of socio-economic, environmental, and energy consumption criteria attributed to each branch line within the rail system; and
- (4) an inventory of all branch lines within the State, emphasizing current information on track condition and rehabilitation costs.

The commodity study will provide a picture of each line's potential traffic in the flow of goods to and from Illinois shippers. It will also be used to estimate the differences in shipping costs between rail and other modes, such as truck-barge. This latter information is used to identify the shipper benefits of utilizing any particular rail line.

The study of economic viability is also used to identify benefits to the railroad. By analyzing current traffic and financial conditions on a rail line, as well as those conditions projected, this study provides a measure as to the profitability and economic viability of that rail line.

The third study examines the socio-economic and environmental impacts of each branch line within the State. Combined with information about current and projected traffic flows, this study also estimates the impact of the rail line on the public interest. By measuring these impacts, this study identifies the public benefit attributable to each line in the State's rail system.

The inventory of branch lines within the State is used to calculate the cost of the capital improvement necessary for each line to actually fulfill its projected role in the system. This calculation, thereby, provides an estimate of the cost required to

improve each rail line.

The crux of the analysis is the comparison of each line's rehabilitation cost with the benefits of the line carrying out its potential function. Conceptually, this benefit/cost analysis at the planning level can be defined as:

$$\frac{B}{C} (\text{Plan}) = \frac{SB}{SI} + \frac{RB}{SI} + \frac{PB}{SI}$$

Where,

$\frac{B}{C}$  = ratio of benefits and costs of retaining rail service

SB = Shipper Benefits

RB = Railroad Benefits

PB = Public Benefits, and

SI = State Investment

This approach will permit the Department to identify three distinct sets of benefits for a rail line: (1) shipper benefits primarily as the avoidance of increased transportation cost which would result from using other modes; (2) railroad benefits, as the incremental net revenue gained from capital assistance to the line; and (3) public benefit as the beneficial impacts of operating the line on the local economy, environment, and energy consumption. In each case, these benefits will be measured against the needed state capital investment in the line. This investment will be primarily the amortized cost of rehabilitation to the line.

The inclusion of a separate category of "benefits to railroads" is a departure from many of the benefit/cost approaches currently in use. Rail service in Illinois can only be maintained as part of a healthy nation-wide rail system. The Department believes that this objective requires a financially healthy private-sector rail system. Each rail-related action the State takes must therefore be reviewed in terms of whether it helps or hurts the profitability of the



affected railroads.

When translating this "planning" benefit/cost analysis presented in the Annual State Rail Plan Update into an annual program, the formula will be adjusted to reflect the support of parties other than the State in the rail line project. The adjustment might be represented as follows:

$$\frac{B}{C} (\text{Program}) = a \left( \frac{SB}{SI} \right) + b \left( \frac{RB}{SI} \right) + c \left( \frac{PB}{SI} \right)$$

Where,

a = Shipper support for the project

b = Railroad support for the project, and

c = Public support for the project

In each case, these new variables never diminish the specific benefit/cost ratio which it modifies. Therefore, a, b, and c will never have values less than one and can only improve the aggregate value of the project's benefit/cost ratio. In doing so, the "programming" benefit/cost analysis of different rail line projects allows those individuals, firms, and communities impacted an opportunity to improve the investment priority status of their line without reducing the "benefit/cost" validity of other rail lines.

The programming process will also take intangibles into account. The Department recognizes that no formula can ever, by itself, form an exclusive basis for final programming decisions. The program will not, therefore, be determined absolutely by the numbers. Rather, the benefit/cost analysis will serve as a framework to structure the problem for decision-makers.

As stated earlier, the purpose of this portion of the 1978 State Rail Plan Update has been to present to the public the basic outline and components of a new approach by the Department to rail

problems in Illinois. This new approach, which will be implemented in the forth coming year, will increase the scope of future updates to the State Rail Plan and provide an analysis of branchlines within the context of a total rail system. It is earnestly hoped that the public will review and comment on the new direction presented in this Chapter. In particular, the Department is seeking comments on the new benefit/cost analysis described and on methods of measuring the specific factors included in that analysis.

#### Implementation of New Direction

A report on the implementation of the new planning process will be presented December 1, 1978. This report will review actions to date and summarize the initial results of the analyses described in the preceding section. The report will serve as the foundation for and an interim step toward the system-wide 1979 State Rail Plan Update. Strategies and options will be presented and comments on all aspects of the ongoing- plan development will be solicited through January 1, 1979.

The remaining portion of this update will present the analysis of the Illinois rail system completed this year using the same line-by-line approach as previous plans. It does not reflect the new approach in the State's rail planning/programming process discussed in this Chapter.







CHARACTERISTICS OF THE ILLINOIS RAIL NETWORK  
266.15(c) (2) & (3)

Introduction

Freight transportation in Illinois is multi-modal in nature, with railroads, motor carriers, and water carriers competing for large shares of the shipping market. However, due to its central geographic location between the agricultural west and the industrial east, Illinois has become an important railroad gateway state with a network of 10,672.9 route-miles<sup>1/</sup> of track owned by thirty-seven railroad companies.<sup>2/</sup>

Illinois ranks second to Texas in total rail route-mileage and second to Massachusetts in density of track per square mile. The State's railroad network is dominated by the nation's largest and second largest railroad gateways at Chicago and at St. Louis, Missouri respectively. The official Illinois Highway Map, which illustrates the rail network in relation to the State's highway system, is located at the back of this document.

Carrier Characteristics: 266.15(c) (2) (i)

The Illinois railroad network consists of 10,672.9 route-miles of track owned by thirty-seven railroad companies. Eleven railroad companies also operate in Illinois by trackage rights or lease agreements but do not own any route mileage. There are twenty-five line-haul carriers operating in Illinois with the remaining twenty-two companies being classified as switching or terminal companies. Table 4 lists each of the forty-eight railroad companies (including

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<sup>1/</sup> "Route-miles" measures only the right-of-way over which the railroad operates. This is in contrast to "track miles" which would also take into account the length of siding, spurs, double track, passing track, yards, etc. Route-mileage provides a more accurate picture of the relative size of different railroad companies as well as station-to-station distances.

<sup>2/</sup> The Penn Central Transportation Co. is no longer considered a railroad company despite the fact that the Penn Central Trustees continue to own track.

the Penn Central), along with their respective Illinois mileages (illustrated in Figure 2). As can be seen in Table 4 over 80 percent of the Illinois railroad system is owned by the ten largest line-haul companies.

Traffic Density: 266.15(c) (2) (ii)

Traffic density is the most common and readily available measure of system usage, generally defined in terms of the amount of gross tonnage<sup>3/</sup> carried over the line. Traffic densities, in terms of gross ton miles per mile (or simply gross tons), for the Illinois rail network are summarized in Table 5. About 2 percent of the network handles over 50 million gross tons annually, while over 22 percent carries less than 1 million gross tons annually. Figures 3 and 4 illustrate Illinois railroad densities.

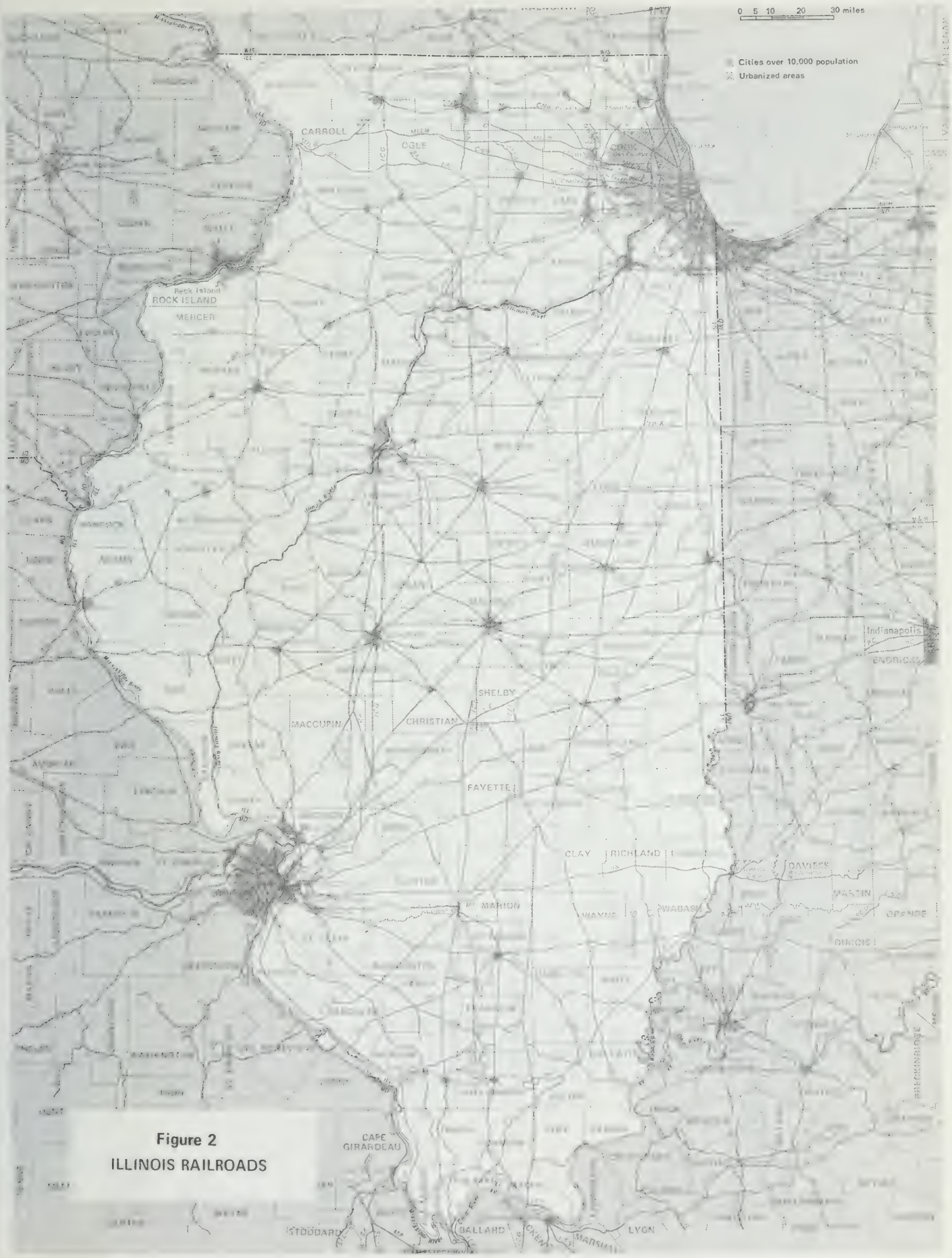
By looking at traffic densities and the number of carriers which operate in certain areas of the State, Illinois rail freight movements fall into eight major corridors:

1. A north-south flow between Minneapolis-St. Paul, Milwaukee, and Chicago;
2. A north-south flow between Chicago, Cairo, Memphis, and New Orleans;
3. A north-south flow between St. Louis, Cairo, and on south;
4. A north-south flow between Chicago and St. Louis;
5. An east-west flow from Omaha to Chicago, Toledo, Cleveland, Pittsburg and on east;
6. An east-west flow from Kansas City to Chicago and on east;
7. An east-west flow from Kansas City to St. Louis, Indianapolis, Cincinnati, and eastward; and,
8. An east-west flow from St. Louis to Louisville, Cincinnati, and on east.

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<sup>3/</sup> "Gross Tons" includes the weight of the locomotive, caboose, rail cars, and cargo. "Net Tons" refers only to the weight of the cargo.





**Figure 2**  
**ILLINOIS RAILROADS**

Table 4. RAILROAD COMPANIES IN ILLINOIS

Abbrev.	Railroad Company Name	Line Haul (LH) Switching or Terminal (s)	Class	Percent of total		
				Owned Route-Mileage	Illinois rail Route-Mileage	Cumulative Percentage
ICG	Illinois Central Gulf	LH	1	2,725.1	25.53	25.53
BN	Burlington Northern	LH	1	1,420.1	13.31	38.84
NW	Norfolk & Western	LH	1	893.0	8.37	47.21
CR	Conrail (Consolidated Rail Corporation)	LH	1	854.1	8.00	55.21
CNW	Chicago Northwestern	LH	1	844.4	7.91	63.12
MoPac	Missouri Pacific (Includes: MP, CEI)	LH	1	648.7	6.08	69.20
MILW	Milwaukee Road (Chicago, Milwaukee, St. Paul and Pacific)	LH	1	525.1	4.92	74.12
B0	Chessie System (Includes: B&O, C&O)	LH	1	483.2	4.53	78.65
RI	Rock Island (Chicago, Rock Island and Pacific)	LH	1	294.5	2.76	81.41
ATSF	Atchison, Topeka and Santa Fe	LH	1	286.7	2.69	84.10
LN	Louisville & Nashville	LH	1	264.8	2.48	86.58
TPW	Toledo, Peoria and Western	LH	1	228.3	2.14	88.72



Abbrev.	Name	Line Haul (LH)		Class	Owned		Percent of total		Cumulative Percentage
		Switching or Terminal (S)			Route-Mileage	Route-Mileage	Illinois rail	Route-Mileage	
IT	Illinois Terminal	LH		1	186.8	1.75		92.0	
PC	(Penn Central Trustees)				164.0	1.54		90.47	
SOU	Southern Rainway	LH		1	155.9	1.46		93.47	
EJE	Elgin, Joliet & Eastern	LH		1	144.3	1.35		94.82	
CIM	Chicago & Illinois Midland	LH		1	97.9	.92		95.74	
MI	Missouri Illinois	LH		1	81.3	.76		96.50	
BOCT	Baltimore & Ohio Chicago Terminal	S		1	59.8	.56		97.06	
S00	Soo Line	LH		1	46.0	.43		97.49	
TRRA	Terminal Railroad Association of St. Louis	S		1	38.5	.36		97.85	
BRC	Belt Railway	S		1	34.1	.32		98.17	
GTW	Grand Trunk Western	LH		1	30.1	.28		98.45	
IHB	Indiana Harbor Belt	S		1	29.5	.27		98.72	
ALS	Alton & Southern	S		1	27.9	.26		98.98	
ATK	Amtrack	LH			27.9	.26		99.24	
CWI	Chicago & Western Indiana	S		2	23.3	.21		99.45	
PPU	Peoria & Pekin Union	S		2	15.3	.14		99.59	
CIW	Chicago & Illinois Western	S		2	10.7	.10		99.69	



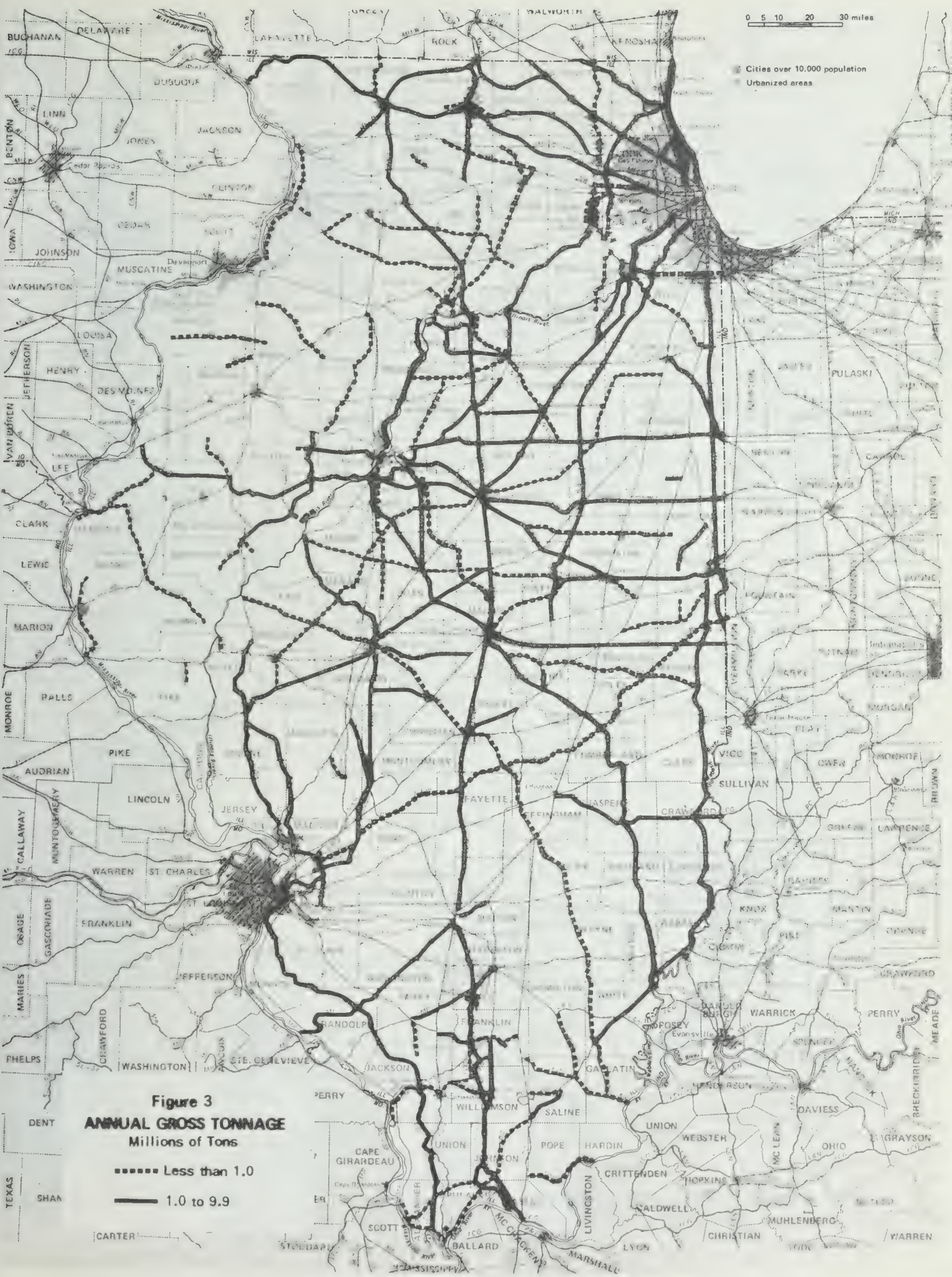
Abbrev.	Railroad Company	Name	Line Haul (LH) Switching or Terminal (S)	Class	Owned Route Mileage	Percent of total Illinois rail Route-Mileage		Cumulative Percentage
DRI	Davenport, Rock Island & Northwestern		S	2	7.5	.07		99.76
LSBC	LaSalle & Bureau County		S	2	7.4	.07		99.83
PT	Peoria Terminal		S	2	5.0	.05		99.88
CHTT	Chicago Heights Terminal		S	2	4.4	.04		99.92
PI	Paducah & Illinois		LH	-	3.6	.03		99.95
MJ	Manufacturer's Junction		S	2	2.0	.02		99.97
SIMB	Southern Illinois & Missouri Bridge		S	-	1.0	.01		99.98
CSL	Chicago Short Line		S	2	.9	.01		99.99
CSS	Chicago South Shore & South Bend		LH	-	0	-		-
SSW	St. Louis Southwestern		LH	1	0	-		-
MRS	Manufacturer's		S	2	0	-		-
CW	Calumet Western		S	-	0	-		-
CWPS	Chicago, West Pullman & Southern		S	2	0	-		-
CPT	Chicago Produce Terminal		S	2	0	-		-
CUST	Chicago Union Station		S	-	0	-		-

Abbrev.	Railroad Company	Name	Line Haul (LH) Switching or Terminal (S)	Class	Owned		Percent of total		Cumulative Percentage
					Route-Mileage	Route-Mileage	Illinois R	Route-Mileage	
ESLJ	East St. Louis		S	-	0		-		-
WVRC	Wabash Valley Railroad Co.		LH	2	0		-		-
KBS	Kankakee, Beaverville and Southern		LH	2	0		-		-
CO&E	Crab Orchard and Egyptian		S	-	0		-		-
TOTAL					10,672.9		100.0		100.0

Table 5. FREIGHT TRAFFIC DENSITY

Million Annual Gross Tons	Route Mileage	Percent of Total Route Mileage
Less than 1.0	2,383.1	22.32
1.0 - 9.9	3,511.1	32.90
10.0 - 24.9	2,589.9	24.27
25.0 - 49.9	1,696.8	15.90
50.0 and Above	291.8	2.73
Unknown	<u>200.2</u>	<u>1.88</u>
TOTAL	10,672.9	100.00



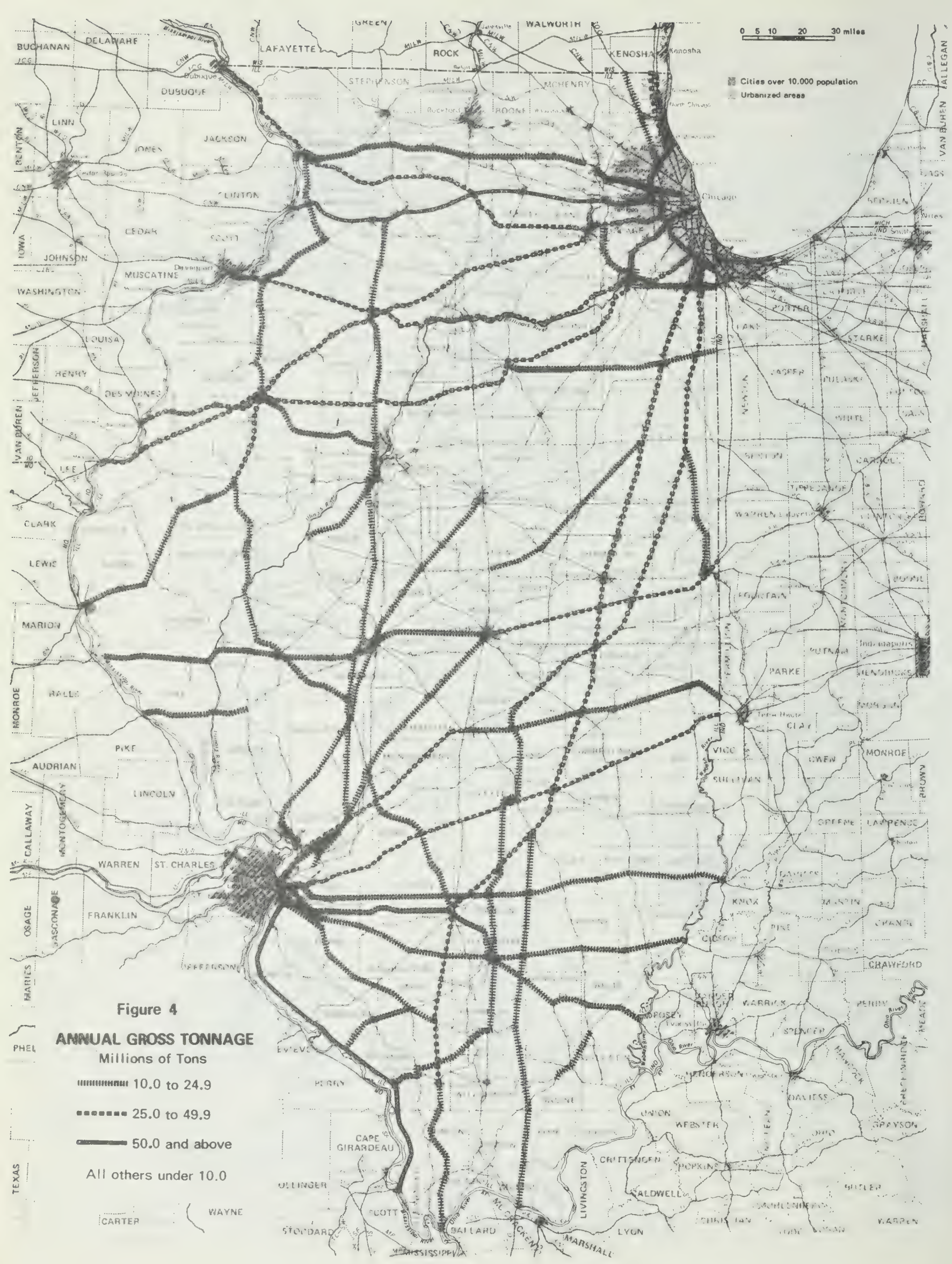


**Figure 3**  
**ANNUAL GROSS TONNAGE**  
Millions of Tons

..... Less than 1.0

———— 1.0 to 9.9







These corridors (shown in Figure 5) illustrate the gateway orientation of the Illinois rail network through the major interchanges of Chicago and St. Louis. All major commodities (as defined by the 2-digit Standard Transportation Commodity Codes) are carried in each of these corridors. (Information regarding specific commodities carried on particular lines is discussed as part of the Line-by-Line Analysis in Appendix A.)

It is important to understand that usage and usefulness are not necessarily the same. While usage measures the level of activity on a line, usefulness of the line to the railroad or the network would also take into account its location, geometry, type of commodities handled, and market potential.

Passenger Service: 266.15(c) (2) (iii)

The State of Illinois has one of the most extensive state subsidized rail passenger program in the country. Of the six trains subsidized, four come under the provisions of Section 403(b) of the Rail Passenger Service Act of 1970. The remaining two trains are operated in cooperation with the Rock Island Railroad, with no financial participation by AMTRAK.<sup>4/</sup> The six trains function primarily as long distance commuter runs in and out of Chicago daily.

Briefly, the characteristics of the State subsidized routes are as follows:

- 1) "The Black Hawk" operates between Chicago and Dubuque, Iowa on the Illinois Central Gulf (ICG). Fiscal year 1977 ridership was 37,280.
- 2) "The Illinois Zephyr" operates between West Quincy, Missouri and Chicago on the Burlington Northern (BN). Fiscal year 1977 ridership was 86,259.
- 3) "The State House" operates between St. Louis and Chicago on the ICG. State subsidy is involved only on the portion from Chicago to Springfield. Fiscal year 1977 ridership was 75,004.
- 4) "The Illini" operates between Chicago and Champaign on the ICG. Fiscal year 1977 ridership was 45,882.

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<sup>4/</sup> The Rock Island has sought and been initially granted authority to abandon their two passenger trains. This decision has been appealed by the State and other parties.



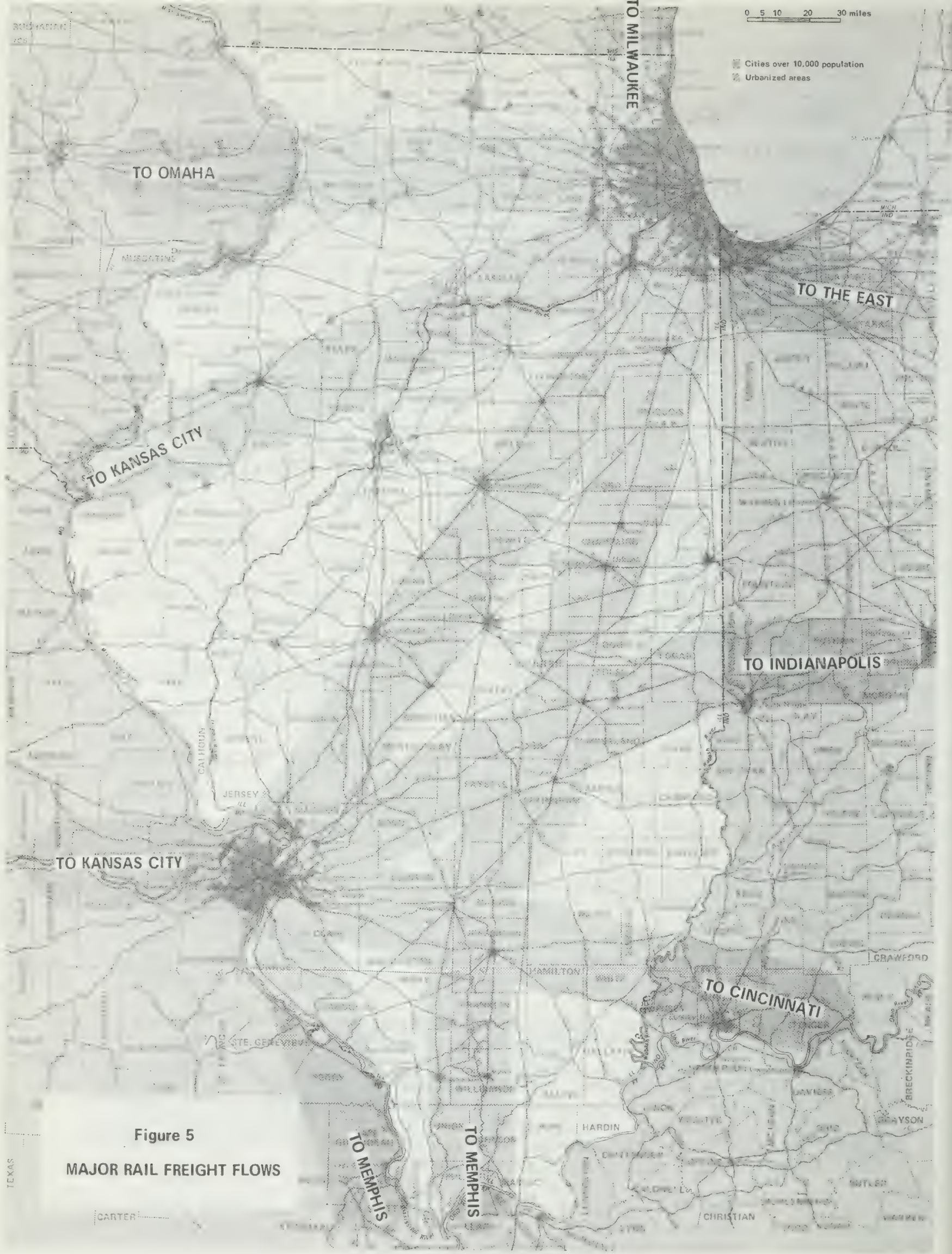


Figure 5

MAJOR RAIL FREIGHT FLOWS



- 5&6) The Peoria and Quad Cities Rockets are operated by the Rock Island Railroad and serve many of the same stops. Ridership in fiscal year 1977 was 11,252 on "The Quad Cities Rocket," and 7,763 on "The Peoria Rocket." Both of these trains provide service into Chicago.

Illinois also has an extensive system of non-state subsidized AMTRAK routes, with Chicago being a major hub on the national AMTRAK system. The following are the AMTRAK routes in Illinois which are either extensions of the subsidized routes or totally separate from them.

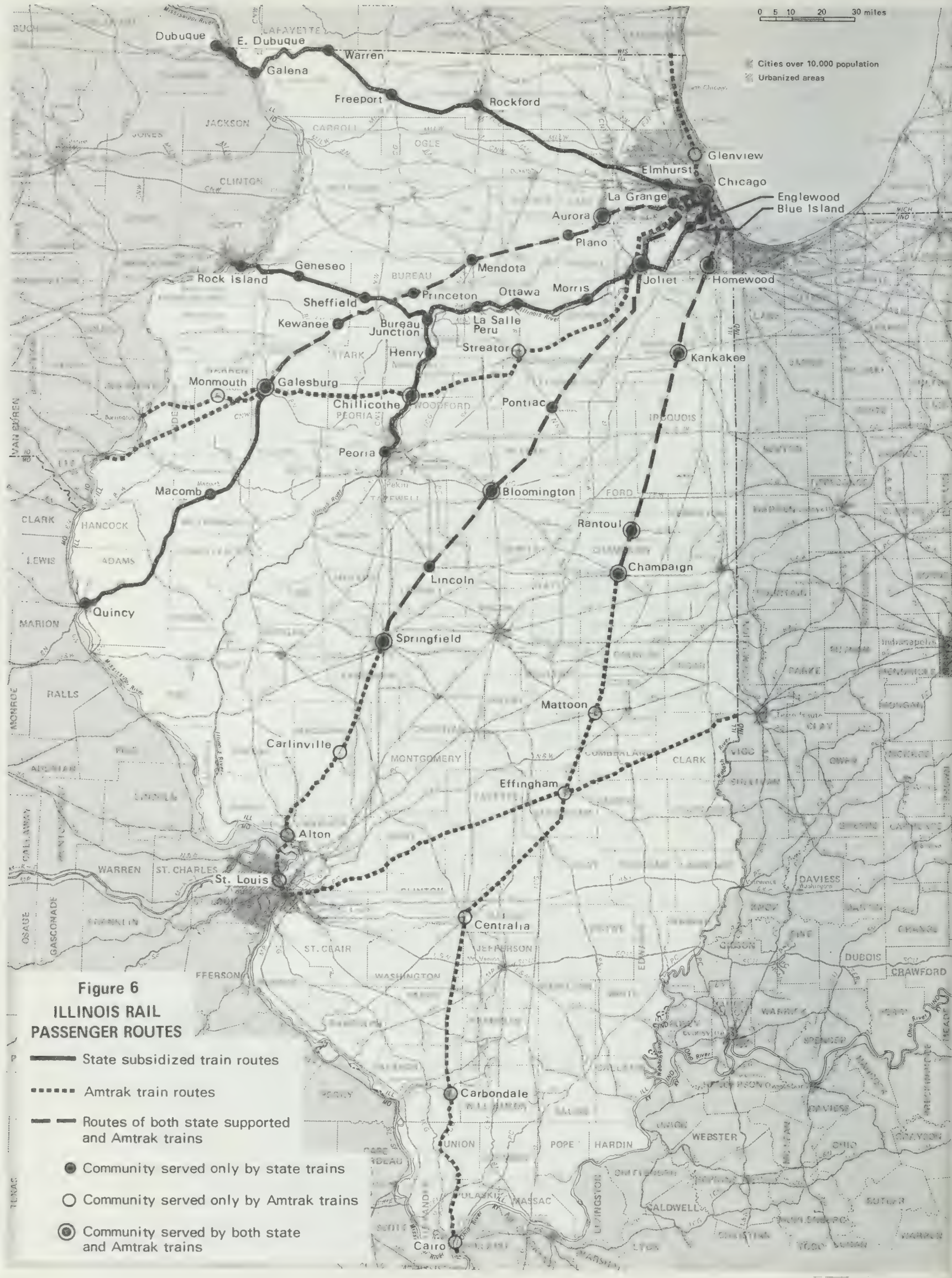
- 1) Chicago - Glenview - Milwaukee, Wis. and beyond
- 2) Chicago - Kewanee - Galesburg - Burlington, Ia. and beyond
- 3) Chicago - Joliet - Streator - Galesburg - Ft. Madison, Ia. and beyond
- 4) Chicago - Springfield - St. Louis  
(State subsidy on Chicago - Champaign portion)
- 5) Chicago - Champaign - Carbondale - Cairo and beyond  
(State subsidy on Chicago - Champaign portion)
- 6) Chicago - Louisville, Ky. and beyond
- 7) Chicago - Cincinnati, Ohio and beyond
- 8) Chicago - Pittsburgh, Pa. and beyond
- 9) Chicago - Toledo, Ohio and beyond
- 10) Chicago - Detroit, Mich. and beyond
- 11) Kansas City - Saint Louis, Effingham, Terre Haute and beyond

Figure 6 illustrates all rail passenger service available in Illinois. It should be noted that none of the lines analyzed in the course of this planning effort involve passenger service.

"High and Wide" and "Excessively Heavy" Restrictions: 266.15(c) (3) (i)

Federal regulations require the classification of lines over which "high and wide" and/or "excessively heavy" loads are normally routed due to weight or dimension restrictions on alternate routes. A "high and wide" load is defined as a freight car, loaded or empty, whose dimensions exceed the line clearance for a railroad





**Figure 6**  
**ILLINOIS RAIL**  
**PASSENGER ROUTES**

- State subsidized train routes
- .....** Amtrak train routes
- · — · —** Routes of both state supported and Amtrak trains
- Community served only by state trains
- Community served only by Amtrak trains
- ⊙ Community served by both state and Amtrak trains



as published in the Railway Line Clearances. Similarly, an "excessively heavy" load is defined as a loaded freight car whose weight exceeds that published in the Railway Line Clearances for each line. The Railway Line Clearances, as well as the Official Railway Equipment Register (both published by the National Railway Publication Company) contain four different categories of car dimensions:

- Plate B = Equipment Diagram for Unrestricted Interchange Service
- Plate C = Equipment Diagram for Limited Interchange Service  
(Larger car dimensions than Plate B)
- Plate D = Equipment Diagram for Limited Interchange Service  
(Larger car dimensions than Plate C)
- Plate F = Equipment Diagram for Limited Interchange Service  
(Larger car dimensions than Plate D)

Each of these plates refer to specific dimensions and clearance requirements for various types of railroad cars. For the Department's purposes, plate F and above have been used to define "high and wide" since plate F refers to the largest standard car size used for limited interchange service. All lines in Illinois can handle Plate B size cars.

A 315,000 pound gross weight or heavier was used to determine "excessively heavy" routes, since the 100 ton car used in standard railroad operations has a gross weight of 263,000 pounds. Lines which cannot handle 315,000 pounds gross weight were found by using the Railway Line Clearances which lists a maximum weight for each line of railroad.

As a result of the mix of terrain and physical characteristics of lines in Illinois, there exists the situation where some lines can carry "high and wide" loads and not "excessively heavy" loads and vice versa. Some lines are capable of handling both "high and wide" and "excessively heavy" loads. Figure 7 shows those lines

which can carry "high and wide" loads and Figure 8 shows those lines which can carry "excessively heavy" loads.

Due to the relatively flat terrain in Illinois, the majority of lines can carry "high and wide" loads, including many of the branch lines. "Excessively heavy" loads cannot be carried on many of the branch lines due to a lesser standard of maintenance. The major corridors of movement which consist of the mainlines are capable of handling movement of oversized or overweight loads. Under special conditions most lines can handle "oversized" movements. These figures show which routes these movements take without "special" considerations.

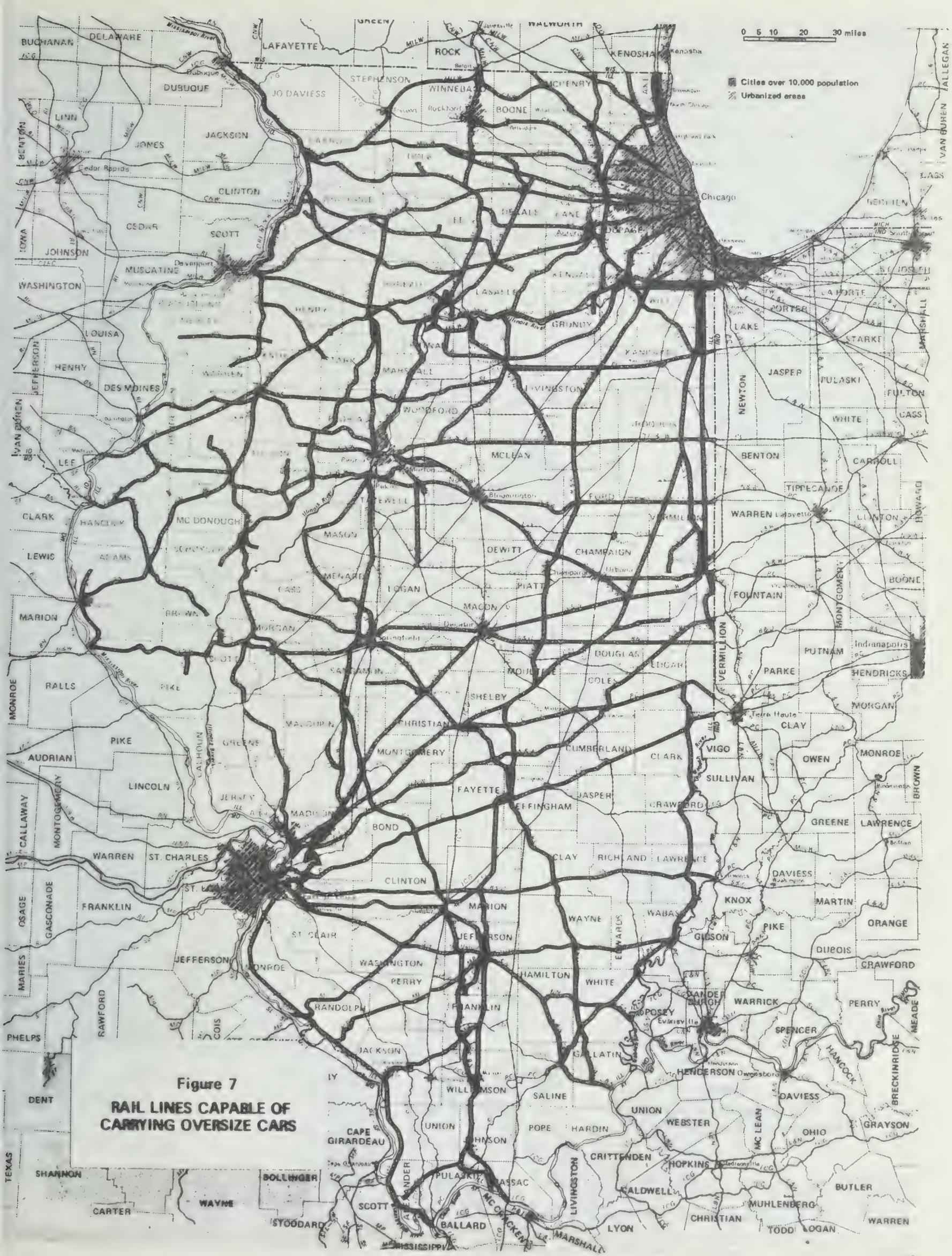
The actual routing of these types of movements can be accomplished by using any of the lines which are capable of handling the loads. The exact routing a "high and wide" or "excessively heavy" load will take is determined by the railroads involved. The Department has not made or will not make any attempt to tell the railroads which routing these loads must take. It should also be noted that Figures 7 and 8 show lines over which these loads could normally be routed. Other lines could possibly handle "oversized" movements on a special basis.

#### Service to Military Installations: 266.15(c) (3) (ii)

Adequate transportation services to military installations is a vital aspect of our national defense system. There are fifteen military installations located in Illinois which are served by rail. Each has varying degrees of reliance and dependence on rail service. Two of the installations are Air Force, two are Navy, and eleven are Army bases.

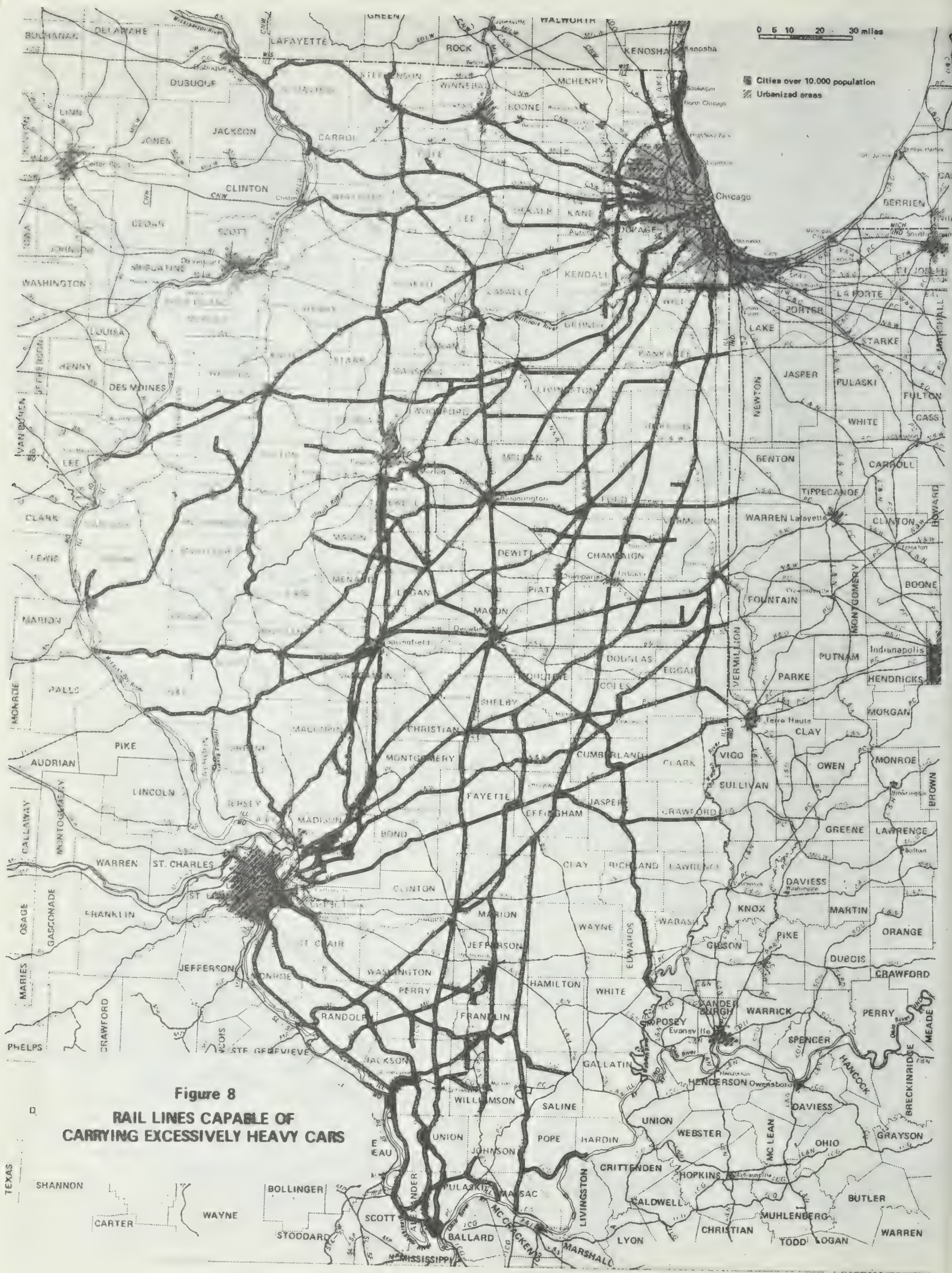
Each of the installations is illustrated and listed in Figure 9 including a listing of the railroad companies serving each. As can be





**Figure 7**  
**RAIL LINES CAPABLE OF**  
**CARRYING OVERSIZE CARS**

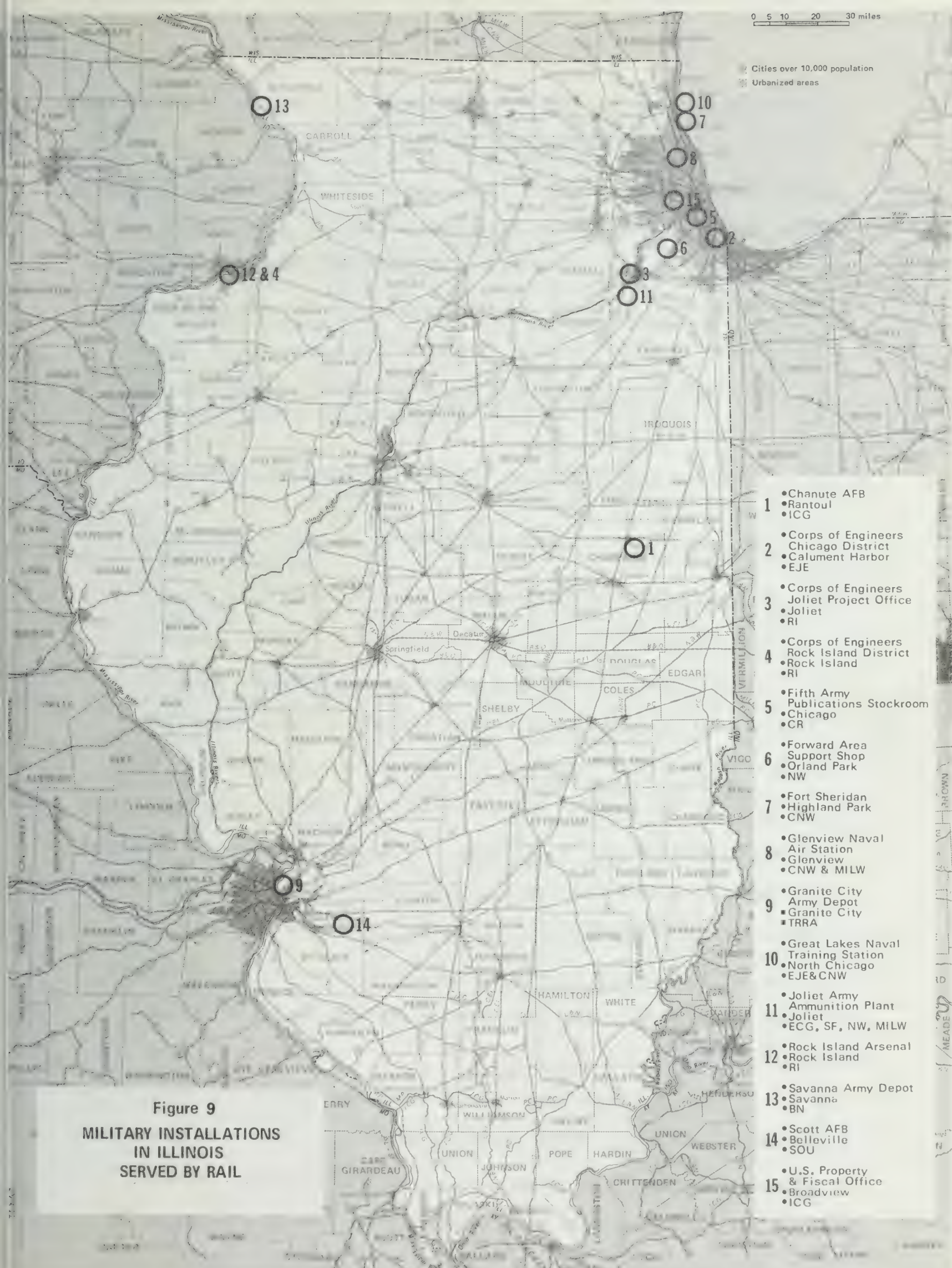




**Figure 8**  
**RAIL LINES CAPABLE OF**  
**CARRYING EXCESSIVELY HEAVY CARS**



• Cities over 10,000 population  
 ■ Urbanized areas



- 1 • Chanute AFB  
 • Rantoul  
 • ICG
- 2 • Corps of Engineers  
 Chicago District  
 • Calumet Harbor  
 • EJE
- 3 • Corps of Engineers  
 Joliet Project Office  
 • Joliet  
 • RI
- 4 • Corps of Engineers  
 Rock Island District  
 • Rock Island  
 • RI
- 5 • Fifth Army  
 Publications Stockroom  
 • Chicago  
 • CR
- 6 • Forward Area  
 Support Shop  
 • Orland Park  
 • NW
- 7 • Fort Sheridan  
 • Highland Park  
 • CNW
- 8 • Glenview Naval  
 Air Station  
 • Glenview  
 • CNW & MILW
- 9 • Granite City  
 Army Depot  
 • Granite City  
 • TRRA
- 10 • Great Lakes Naval  
 Training Station  
 • North Chicago  
 • EJE & CNW
- 11 • Joliet Army  
 Ammunition Plant  
 • Joliet  
 • ECG, SF, NW, MILW
- 12 • Rock Island Arsenal  
 • Rock Island  
 • RI
- 13 • Savanna Army Depot  
 • Savanna  
 • BN
- 14 • Scott AFB  
 • Belleville  
 • SOU
- 15 • U.S. Property  
 & Fiscal Office  
 • Broadview  
 • ICG

**Figure 9**  
**MILITARY INSTALLATIONS**  
**IN ILLINOIS**  
**SERVED BY RAIL**

seen from this map, most of the installations are located in the northern portion of the State, predominantly in the Chicago area.

(See Chapter Three for 266.15(c) (3) (iii) -- Lines Eligible for Assistance)

Lines Potentially Subject to Abandonment: 266.15 (c) (3) (iv)

Title 49 of the Code of Federal Regulations, Part 1121.22 required that the railroad companies publish a color-coded system diagram map by April 30, 1977, showing the following five categories of lines:

- 1) Lines for which abandonment or discontinuance application is expected to be filed within 3 years of the filing of the diagram.
- 2) Lines with abandonment potential or which the railroad is studying for possible future abandonment.
- 3) Lines for which abandonment or discontinuance application is pending.
- 4) Lines being operated under subsidy.
- 5) All other lines.

These system diagrams were updated in April, 1978. This section will be concerned with those lines in Illinois which fall into categories 1 or 2--termed here "potential abandonments." To date, of all the Class I railroads that have submitted diagrams listing potential abandonments in Illinois, only eight companies show potential abandonments within the State. According to these diagrams, there is a total of 624 route-miles of rail line in Illinois which may be filed for abandonment at some time in the future. A list of these lines can be seen in Table 6, and they are illustrated on the map in Figure 10.

Although the Department intends to monitor and analyze these potential abandonments, the necessary data is not available to do the analysis on these lines at this time. For that reason, the levels 1, 2 and 3 analyses were not applied to these lines for inclusion in



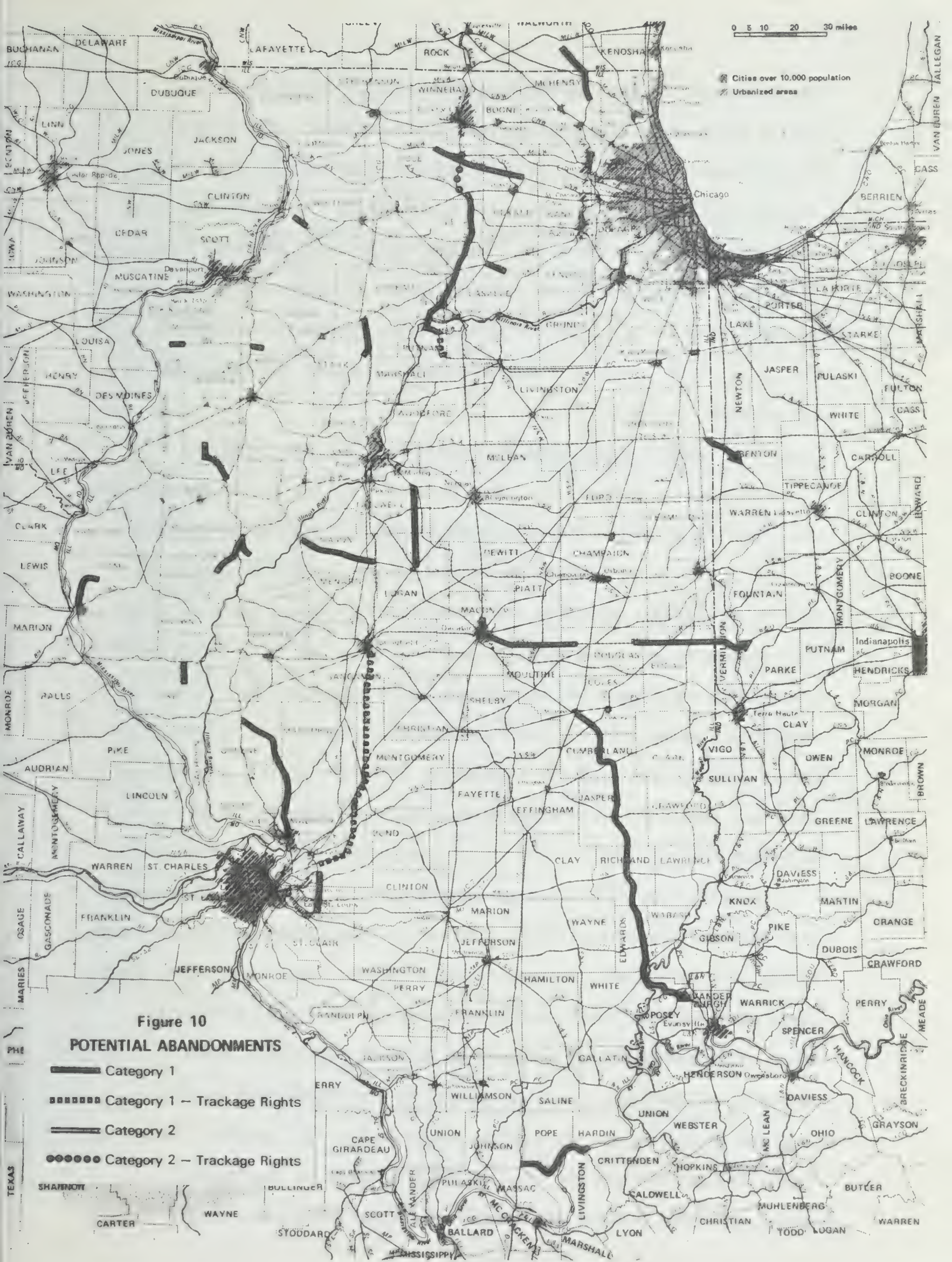
Table 6. LINES POTENTIALLY SUBJECT TO ABANDONMENT

As of April 30, 1978

Railroad Company	Category	Termini	Length (miles)
Atchison, Topeka and Santa Fe (ATSF)		None shown in Illinois	
Burlington Northern (BN)	1	Earlville-Baker	6.5
	1	Bradford-Buda	9.7
	1	Lass-Garden Plain	4.0
	1	Alpha-Woodhull	4.2
	1	Joy-Aledo	6.8
	1	Roseville-Bushnell	15.9
	1	Vermont-Astoria	7.1
	1	Vermont-Rushville	15.4
	1	Quincy-Mendon	14.5
	1	Whitehall-E. Alton	46.1
Chessie System	1	Decatur-Fickland/Newman-IN	54.0
Chicago and Northwestern (CNW)	1	Byron-Sycamore	30.8
	1	Ringwood-Lake Geneva	7.5
	1	Elgin-Dundee	3.0
Chicago, Milwaukee St. Paul and Pacific (MILW)	1	Moronts-McNabb (Trackage rights over Conrail)	11.0
	1	Ladd-Seatonville	2.3
	2	Davis Jct.-Moronts (Includes 19.9 miles Trackage Rights on BN)	66.0
	2	Delmar-Momence	3.1
Rock Island (RI)		None shown in Illinois	
Conrail (CR)	2	At Cairo	2.5
	2	At Mound City	1.6
	2	Sheldon-Lafayette, IN	173.8 (2.0 Ill.)
Elgin, Joliet, and Eastern (EJE)		None shown in Illinois	
Grand Trunk Western (GTW)		None shown in Illinois	
Illinois Central Gulf (ICG)	1	Reevesville-Rosiclare	26.3
	1	New Holland-Havana	26.5
	2	Mattoon-Evansville, IN	128.0

Railroad Company	Category	Termini	Length (miles)
Illinois Terminal (IT)	1	Allentown-Lincoln	27.5
	1	Decatur-Forsyth	4.5
	1	Troy-O'Fallon	10.3
	1	Mont-Springfield (Trackage rights over ICG)	78.1
Louisville and Nashville (L&N)		None shown in Illinois	
Missouri Pacific (MP)		None shown in Illinois	
Norfolk and Western (NW)	1	Maysville-Pittsfield	6.0
	1	Champaign-Urbana	2.8
SOU Line		None shown in Illinois	
Southern Railway System (SOU)		None shown in Illinois	
Toledo, Peoria, and Western (TPW)		None shown in Illinois	
TOTAL			624.0





0 5 10 20 30 miles

■ Cities over 10,000 population  
■ Urbanized areas

Figure 10

POTENTIAL ABANDONMENTS

- Category 1
- Category 1 - Trackage Rights
- Category 2
- Category 2 - Trackage Rights



this document. At the federal level, enabling legislation is now pending which would make these potential abandonment lines eligible for continuation subsidies. Should this legislation pass, and should similar legislation be passed on the State level, the Department will be prepared to perform the line-by-line analysis on these lines as the data becomes available. Due to recent Federal regulations, beginning July of 1978, the cost/revenue data necessary to complete the line-by-line analysis of these lines will become available from the railroad

Lines With Pending Abandonment Applications: 266.15 (c) (3) (v)

This section is concerned with category 3 of the system diagram maps-- lines for which abandonment or discontinuance applications are pending.

As of May 1, 1978, there were twenty-five separate abandonments pending in Illinois totalling 703.8 miles and involving seven different railroad companies. Of these twenty-five lines, six lines totalling 134.6 miles were filed for abandonment after August 1, 1977. The remaining nineteen lines totalling 569.2 miles were filed before August 1, 1977, and were analyzed in the 1977 plan update. These lines are listed in Table 7 and mapped in Figure 11. As can be seen from the map, these lines are scattered throughout Illinois.

The six lines filed were analyzed according to the levels 1 and 2 of the analysis as outlined in Chapter 4. The eighteen lines analyzed in the 1977 update were not reanalyzed with the exception of three lines. These were AB-6(43) North Henderson to Alexis, AB-43(31) Ashland to Mason City, and AB-43(28) Freeport to Madison, Wisconsin. Both AB-6(43) and AB-43(31) involved changes in the abandonment application and AB-43(28) was not analyzed fully in the 1977 update. These lines were put through the level 3 analysis based on the information available. After the completion of the public involvement

Table 7. PENDING ABANDONMENTS

As of May 1, 1978

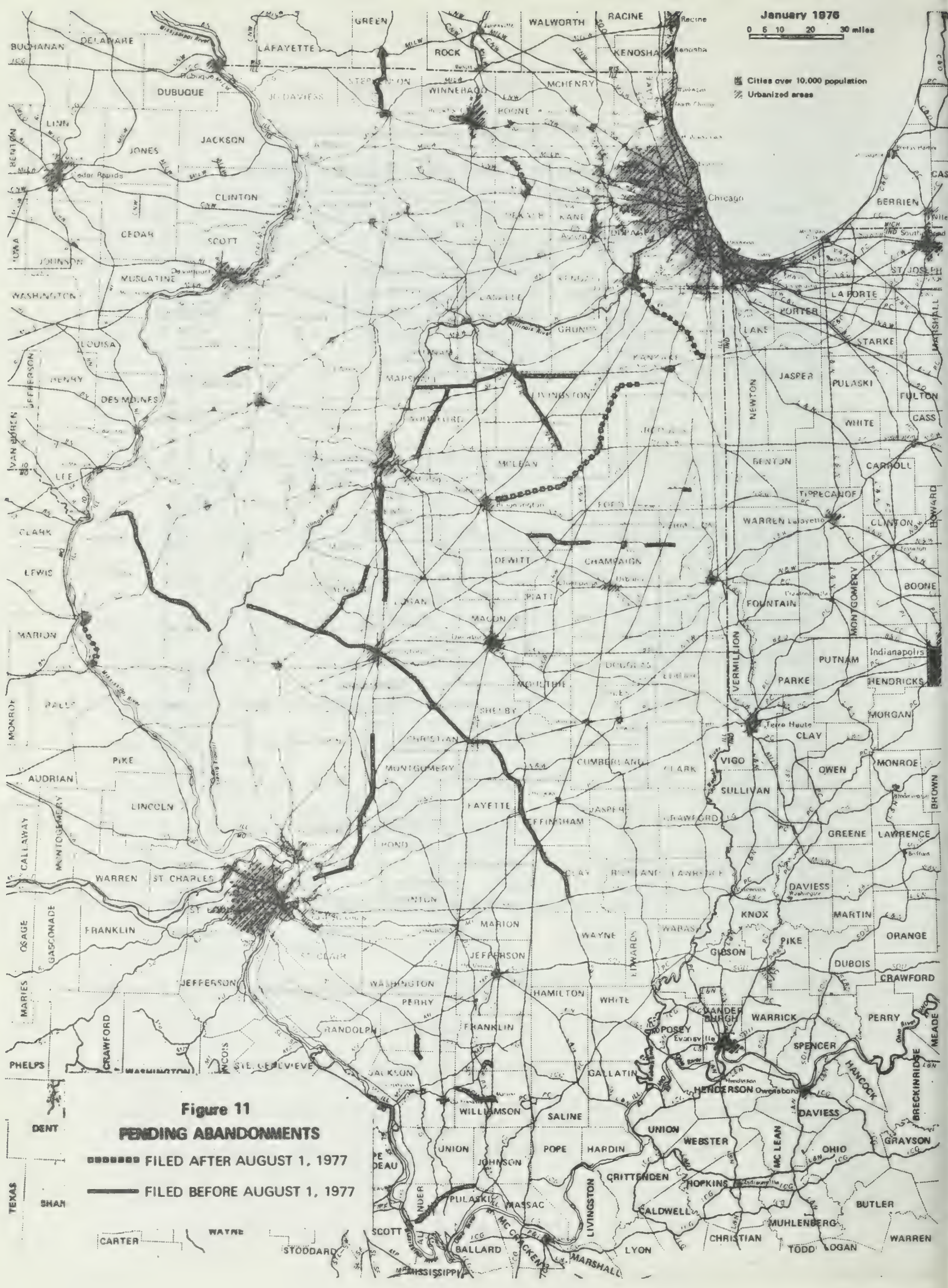
Pending Abandonments Filed Since August 1, 1977.

Federal Docket	Railroad	Termini	Length (miles)
AB-1 (63)	CNW	Winnebago-Rockford	6.9
AB-3 (16F)	MP	Mount Vernon-(West)	3.6
AB-6 (46F)	BN	Quincy-East Hannibal	12.6
AB-7 (51)	MILW	Kirkland-DeKalb	14.5
AB-7 (52F)	MILW	Momence-Joliet	35.0
AB-43(43)	ICG	Barnes-Herscher	62.0
Subtotal			134.6

Pending Abandonments Filed Before August 1, 1977

Federal Docket	Railroad	Termini	Length (miles)
AB-6 (43)	BN	N. Henderson-Alexis	5.5
AB-6 (44)	BN	Cambon-West Frankfort	4.0
AB-10(6)	NW	S. of Streator-N. of Fairbury	27.1
AB-10(10)	NW	Elvaston-Versailles	54.5
AB-11(0)	MP	Joppa Jct.-Fayville Jct.	25.7
AB-11(3)	MP	Goodwine-Alonzo	3.0
FD#26745	BO	Coalshaft-Beardstown	43.7
AB-19(27)	BO	Sangamon Jct.-Flora	103.3
FD#26764	ICG	Dwight-Washington/Varna-Laon	79.6
AB-43(16)	ICG	Murphysboro-Elco	36.0
AB-43(18)	ICG	Croft-San Jose	18.2
AB-43(19)	ICG	San Jose-Grove	21.7
AB-43(27)	ICG	Mande-Seely	14.5
AB-43(28)	ICG	Freeport-Madison (Wis.)	12.0(111.)
AB-43(30)	ICG	Waggoner-Glen Carbon	53.9
AB-43(31)	ICG	Ashland-Mason City	26.5
AB-43(32)	ICG	LeRoy-Fisher	20.9
AB-43(33)	ICG	Pyatts-Vergennes	7.4
AB-43(34)	ICG	Gifford-Potomac	11.7
Subtotal			569.2
Total All Pending			703.8 miles





January 1976  
0 5 10 20 30 miles

■ Cities over 10,000 population  
▨ Urbanized areas

**Figure 11**  
**PENDING ABANDONMENTS**

----- FILED AFTER AUGUST 1, 1977  
———— FILED BEFORE AUGUST 1, 1977



process, these lines will again be put through the level 3 analysis in order to incorporate any additional information which may be obtained at that time.

As was mentioned with regard to the potential abandonments, enabling legislation is pending at the federal level which would make pending and potential abandonments eligible for continuation subsidies. Should this legislation be passed at both the federal and the State level, the Department would, as a result of the line-by-line analysis undertaken on these lines, be prepared to categorize and consider the viability of continuing service on these lines.

Since the submittal of the 1977 plan update on August 1, 1977, many of the lines which were analyzed under level 2 and which are still pending, have had action taken on them. Table 8 shows which actions, if any, were taken.

Table 8. ACTIONS TAKEN ON ABANDONMENTS  
PENDING BEFORE AUGUST 1, 1977

Federal Docket	Railroad	Termini	Actions
AB-6 (42)	BN	Nifa-W. Batavia	Granted (Final)
AB-6 (43)	BN	N. Henderson-Alexis	Granted (Subsidy Offer)
AB-6 (44)	BN	Cambon-W. Frankfort	Granted (Appealed)
AB-10(6)	NW	S. of Streator-N. of Fairbury	Had Oral Hearing
AB-10(10)	NW	Elvaston-Versailles	Granted (Appealed)
AB-11(0)	MP	Joppa Jct.-Fayville Jct.	Granted (Appealed)
AB-11(3)	MP	Goodwine-Alonzo	Granted (Appealed)
FD#26745	BO	Coalshaft-Beardstown	Granted (Appealed)
AB-19(26)	BO	Decatur-Fickland/Newman-Ind.	Withdrawn
AB-19(27)	BO	Sangamon Jct.-Flora	Denied(Appealed)
FD#26745	ICG	Dwight-Washington/Varna-Lacon	Case Reopened
AB-43(16)	ICG	Murphysboro-Elco	Granted (Appealed)
AB-43(18)	ICG	Croft-San Jose	Granted (Appealed)
AB-43(19)	ICG	San Jose-Grove	Granted (Appealed)
AB-43(20)	ICG	Saxony-Pontiac	Granted (Final)
AB-43(21)	ICG	Flanagan-Minonk Jct.	Granted (Subsidy Offer)
AB-43(24)	ICG	Mason City-Bloomington	Withdrawn
AB-43(27)	ICG	Mande-Seely	Partially Granted (Appealed)
AB-43(28)	ICG	Freeport-Wisconsin	No Action
AB-43(30)	ICG	Waggoner-Glen Carbon	Granted (Appealed)
AB-43(31)	ICG	Ashland-Mason City	Granted (Appealed)
AB-43(32)	ICG	Leroy-Fisher	Denied (Appealed)

Federal Docket	Railroad	Termini	Actions
AB-43(33)	ICG	Pyatts-Vergennes	Denied (Appealed)
AB-43(34)	ICG	Gifford-Potomac	Denied (Appealed)
AB-123(0)	CPT	Chicago	Granted (Final)











## CHAPTER FOUR

### LINES ELIGIBLE FOR ASSISTANCE AND PROGRAM REVIEW 266.15 (c)(3)(iii)

Under the provisions of the Regional Rail Reorganization Act of 1973 (RRRA), and the Railroad Revitalization and Regulatory Reform Act of 1976 (RRRRA), "lines eligible for assistance" include: lines abandoned since January 2, 1974 and lines eligible under Title IV of the RRRA. In Illinois, the latter group consists of those Penn Central lines left out of Conrail in the Final System Plan.

From January 2, 1974, to May 1, 1978, there were nineteen separate abandonment applications granted in Illinois, involving nine different railroad companies. These nineteen lines account for 222.2 miles of terminated railroad service and were all analyzed in the 1977 plan update. Of this total mileage, 111.7 miles of track (nine lines) have already been removed, with another 88 miles of track (seven lines) in progress or scheduled to be removed by the end of 1978. Since the 1977 plan update, two lines, Nifa to West Batavia and Saxony to Pontiac, have been granted abandonment. Table 9 lists all nineteen granted abandonments which are also illustrated in Figure 12.

The second category of lines eligible for assistance under the Act are the Penn Central lines which were left out of Conrail (shown in Figure 12). This category accounts for 207.1 miles of line. Due to the fact that these lines were analyzed in the 1975 Illinois Rail System Plan, federal regulations (266.15 (i)(2)) require only that the information on these lines be updated. For this reason, the level 1, 2 and 3 analyses were not applied to these lines. A list of these lines, including the updated status information, can be found

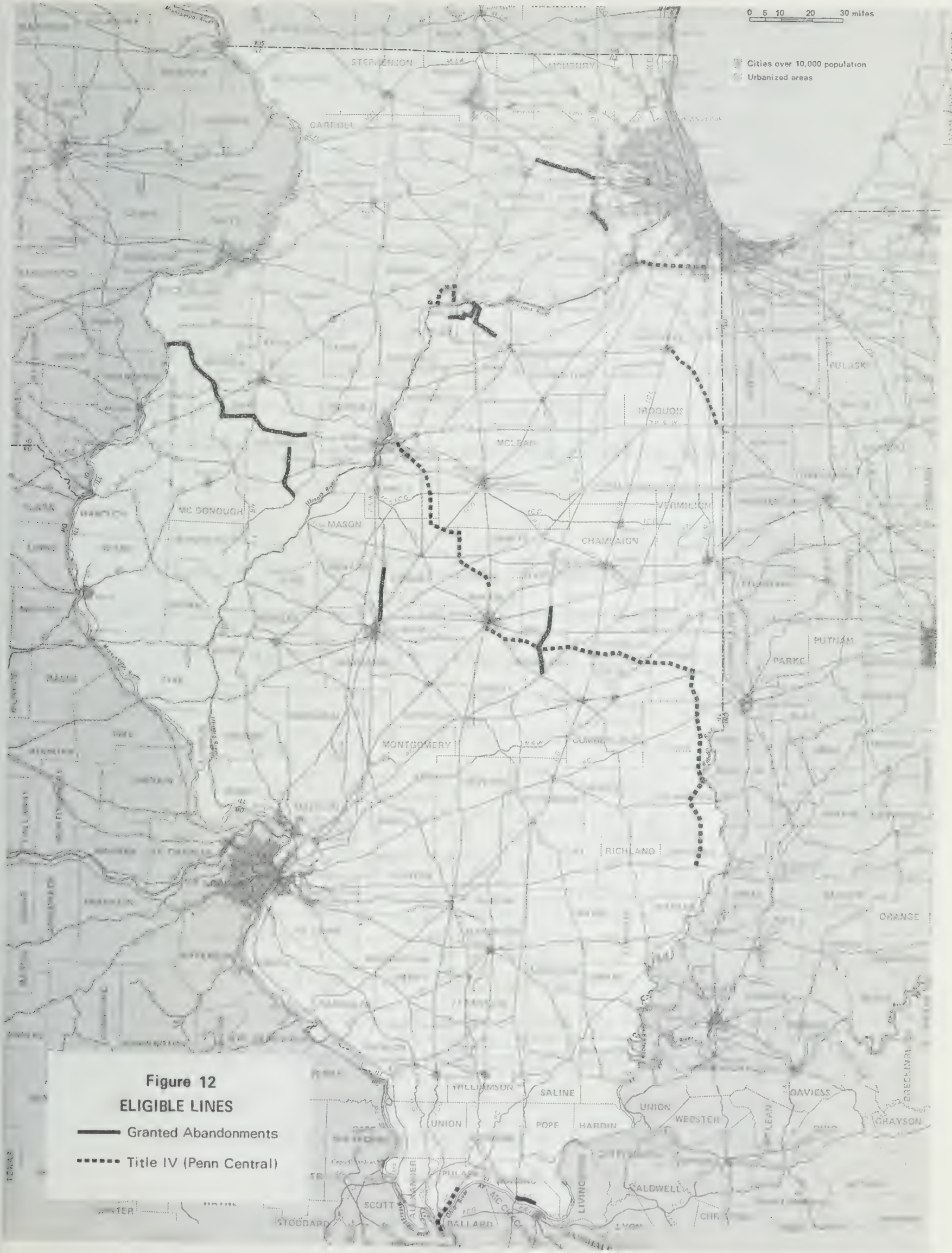
Table 9. GRANTED ABANDONMENTS

January 2, 1974 to May 1, 1978

Federal Docket	Company		Length (miles)	Current Status
AB-1 (1)	CNW	Keithsburg-Middleport	61.6	Removed
AB-1 (16)	CNW	St. Charles-Sycamore	18.0	Removed
AB-1 (23)	CNW	Elmhurst-Villa Park	0.8	Removed
AB-1 (38)	CNW	Budda-Wyoming(Trackage Rights on the BN)	15.8	
AB-1 (39)	CNW	LaSalle Jct.-Spring Valley	4.8	Removed
AB-1 (47)	CNW	Farmington-Norris (Trackage Rights on BN)	6.0	
AB-6 (17)	BN	Lewistown-Fairview	14.9	Removal in Progress
AB-6 (36)	BN	LaSalle-L&S Jct.	14.5	Slated for Removal
AB-6 (42)*	BN	Nifa-West Batavia	3.2	Slated for Removal
AB-7 (21)	MILW	Savanna-Ayers	3.5	Removed
AB-7 (23)	MILW	Grainville-Oglesby	13.3	Removed
AB-10(7)	NW	Bement-Sullivan	22.8	Removal in Progress
AB-43(7)	ICG	Metropolis-Brookport	5.8	Removed
AB-43(13)	ICG	Sherman-Croft	10.5	Removal in Progress
AB-43(20)*	ICG	Saxony-Pontiac	19.5	Removal in Progress
AB-84(0)	IT	Hamel-Worden	2.6	Removal in Progress
AB-93(0)	PT	(Pekin)	0.3	Removed
AB-117(0)	EJE	Aurora-Normantown	3.6	Removed
AB-120(0)	CWI	(Chicago)	0.7	
<hr/> 19 Dockets			<hr/> 222.2	

\* Granted since August 1, 1977.





0 5 10 20 30 miles

■ Cities over 10,000 population  
■ Urbanized areas

**Figure 12**  
**ELIGIBLE LINES**

- Granted Abandonments
- ..... Title IV (Penn Central)



in Table 10. As seen in this table, all but five lines have been sold or are out of service. The state law did not require the Department to continue service on these lines. The remaining five lines make up the current Illinois Railroad Freight Program.

The Illinois Railroad Freight Program was initiated to continue rail service to shippers located on 173.9 miles of line owned by the bankrupt Penn Central. The Department has administered the program with a goal of minimizing the amount of duration of any subsidy required and returning the lines in the program to the private railroad system as quickly as possible.

#### PROGRAM REVIEW

##### Freight Services

The Illinois Department of Transportation has been involved in rail service continuation and accelerated maintenance programs on five lines formerly operated by the Penn Central Transportation Company; these lines were deemed to be potentially viable in the short-term. These five lines are shown in Figure 13. During the past year the rail services on two of these lines have been taken over by short line companies. These alternatives were exercised to improve the quality of service to on-line users and reduced operation costs. It has been determined that the rail program should continue on these lines.

Initially the Department's ability to provide assistance to rail lines was legally constrained by State law to Penn Central lines not included in the Conrail System. Effective July 1, 1977 the eligibility was expanded by State statute to include lines abandoned by all railroads. Since the 1977 Rail Plan Update four rail lines have been approved for abandonment (as of May 1, 1978). The Department has offered continuation subsidies on two of these lines.

A brief discussion of each of these rail lines follows.

Table 10. LINES ELIGIBLE UNDER TITLE IV (PENN CENTRAL LINES)

as of May 1, 1978

Line Designation #	Termini	Length (Miles)	Current Status
406	Whiting-Calumet	1.3	Abandoned 7-29-76
407	Englewood-LaSalle St.	6.6	Abandoned 7-29-76
408	Chicago-Kankakee (Trackage Rights on ICG)	(54.5)	Agreement Terminated
415	Frankfort-Matteson	8.4	(Freight Program)
415a	Joliet-Frankfort	10.3	Out of Service
422	Depue Jct-Depue	(1.2)	Sold to MILW
434	Howe-PC Jct	(8.7)	Sale Being Negotiated
434a	PC Jct-Churchill	(2.8)	Sold to CNW
435	Ladd-Zearing (Trackage Rights on BN)	(6.6)	Agreement Terminated
569	Hillsboro-Litchfield	13.6	Sold for Removal <sup>1/</sup>
577a	Kankakee-Sheldon	26.9	(Freight Program)
605ab/606	Paris-Lawrenceville	63.4	(Freight Program)
607a	Olmstead-Cairo	9.7	(Freight Program)
609	Decatur-Paris	65.5	(Freight Program)
611	Maroa-Waynesville	(19.2)	Sold to IT
611ab	Waynesville-East Peoria	(45.4)	Sold to IT
697	Hickory Creek-Des Plaines	<u>1.4</u>	Abandoned 7-29-76
		207.1*	

\*Figures in parentheses, (), are not included in the total since Trackage Rights cases and lines sold to other carriers become ineligible once terminated or sold.

<sup>1/</sup> 1½ miles of this line is being used to continue service from the BN to International Paper Company and the industrial park in Litchfield.



0 5 10 20 30 miles

Cities over 10,000 population  
Urbanized areas



**Figure 13**  
**EXISTING SERVICE PROGRAM**  
**(Penn Central Lines)**

WAYNE



LINE: USRA 415, Frankfort to Matteson

COMPANY: Penn Central, operated by Consolidated Rail Corporation

CURRENT STATUS

This 8.4 mile segment from Frankfort to Matteson is currently being served by Conrail pursuant to a safety waiver. The embargo on the line will be removed after completion of track rehabilitation work this year.

The current program calls for expenditures of over \$200,000 for tie replacement, surfacing and alignment which will allow service to be restored to the 1975 level as required by State statute. Service restoration on this line will also provide access to Joliet.

The operating results for calendar year 1977 summarized in the table reflect the decreased service caused by the embargo and operations required by the safety waiver.

SUMMARY-FRANKFORT TO MATTESON (Calendar Year 1977)

Total Revenue	\$34,150	\$34,150
Costs:		
(1) On-Branch Cost	\$45,279	
(2) Off-Branch Cost	\$25,968	
(3) Management Fee	<u>\$ 2,261</u>	
	TOTAL	<u>\$73,508</u>
Operating Results	(\$39,358)	(\$39,358)

LINE: USRA 577a, Kankakee to Sheldon

COMPANY: Designated operators; Conrail/Kankakee Beaverville & Southern

CURRENT STATUS

This line extends 26.9 miles between Kankakee and Sheldon. Until 1971 passenger trains operated over this segment of track. On December 1, 1977, the Kankakee, Beaverville and Southern Railroad replaced Conrail as the designated operator. This change of operators should provide more cost effective service on the line and contribute to its eventual profitability. Upgrading funds have been applied for to enable the handling of 100 ton cars and correct maintenance which was deferred for five years. After upgrading shippers plan to ship unit grain trains from Beaverville. It is felt that this line has potential to be financially viable in the future. Because of the change in operators the summary table below reflects only Conrails operations between January 1, 1977 and November 30, 1977.

SUMMARY-OPERATING RESULTS (Calendar Year 1977)

Total Revenues	\$272,749	\$272,749
Costs:		
(1) On-Branch Cost	\$162,412	
(2) Off-Branch Cost	\$114,205	
(3) Management Fee	<u>\$ 17,995</u>	
	<u>TOTAL</u>	<u>\$294,612</u>
Operating Results	(21,836)	(\$21,836)

LINE: USRA 605/606 Paris to Lawrenceville

COMPANY: Conrail, as designated operator

CURRENT STATUS:

Line 605/606 extends 62.8 miles from Paris to Lawrenceville. This segment forms the center portion of Conrail's main line between Chicago and Cairo. Until recently this segment handled only local traffic, since coal traffic from the southern Illinois coal fields was being routed through Indiana via the Louisville & Nashville Road. However, Conrail recently agreed to move all through traffic via this section. With the inclusion of this through traffic, this line will be viable. Retention of this segment is also important in restoring the mainline from Chicago to Cairo and opening the Cairo gateway.

The Department's list of projects, approved by FRA includes a rehabilitation program of over \$2.6 million in anticipation of higher traffic levels which should reduce operating subsidies to zero.

SUMMARY-OPERATING RESULTS (Calendar Year 1977)

Total Revenues			
Costs			
		\$1,140,263	\$1,140,263
(1)	On-Branch Cost	\$ 726,712	
(2)	Off-Branch Cost	\$ 649,712	
(3)	Management Cost	\$ 74,756	
	TOTAL	<u>\$1,451,404</u>	<u>\$1,451,404</u>
Operating Results		(311,141)	(\$311,141)



LINE: USRA 607a Olmsted-Cairo

COMPANY: Designated operator: Conrail

CURRENT STATUS

Line 607a extends 8.2 miles from Olmstead to Cairo. This line has been out of service since 1973 due to a 110 yard washout 2.5 miles north of Cairo. The Department has leased this line in order to preserve the integrity of Conrail's main line from Chicago to Cairo and to reopen the Cairo gateway.

The Department is currently seeking an EDA grant to repair the washout. The project pre-application has received A-95 approval. In addition local CETA personnel have been clearing brush from the right-of-way so that restoration can commence.

Restoration of this segment will permit Conrail to discontinue a captive switcher located at Cairo. Restoration of this segment will also help the profitability of line 605/606 which is the center segment of the Chicago to Cairo mainline. Opening this segment would open the Chicago to Cairo line to the new Bunge Corporation grain plant located adjacent to the Conrail line in Cairo. Restoration of service on this line will benefit several Cairo shippers which give it a good potential for future viability.

Because the line is out of service a summary of operating results is not applicable.

LINE: USRA 609 Decatur to Paris

COMPANY: Conrail/Wabash Valley Railroad

STATUS:

Line 609 extends 75 miles between Decatur and Paris. On December 1, 1977, the Wabash Valley Railroad replaced Conrail as the designated operator on this line. The line showed considerable potential during Conrail operations, actually generating net operating income for six months during 1977. The new operator has improved service, including increased train frequency, and offers new connections and grain gathering rates. These improvements have led to increased shipments, indicating that with completion of trackwork the line will continue to move toward profitability. This line is likely to be the first line in the Illinois program to successfully move through a subsidy period and return to private operation. Due to the change in designated operator, the operating results reflect only the 11 months of Conrail Service.

SUMMARY - OPERATING RESULTS (11 months Calendar Year 1977)

Total Revenues		\$3,903,182
Costs:		
1) On-Branch Cost	\$1,747,322	<u>1/</u>
2) Off-Branch Cost	\$2,577,208	
3) Management	\$ 252,752	
Total	<u>\$4,577,282</u>	<u>\$4,577,282</u>
Operating Results	(\$674,100)	(\$674,100)

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1/ On-branch costs include approximately \$500,000 of accelerated maintenance. This had a large influence on the amount of deficit shown on this line

Work will continue in Fiscal Year 1979 on all lines currently in the rail freight program. The total proposed freight assistance program for the State's Fiscal Year 1979 is \$6.5 million--\$5.2 million federal and \$1.3 million State. Table 11 shows the projects planned for that program.

Table 11. STATE FISCAL YEAR 1979 RAIL FREIGHT PROJECT LIST\*

<u>Location</u>	<u>Operator</u>	<u>Project Description</u>
Kankakee-Sheldon	Kankakee, Beaver-ville and southern	Major tie-replacement program to preserve 100-ton car capacity. Operating assistance estimated at \$230,000 and line rental at \$126,000.
Decatur-Paris	Wabash Valley Railway	Rail replacement, yard and siding upgrading, bridge maintenance. Operating assistance may not be necessary in FY 79 but the line rental fee will be about \$153,000.
Paris-Lawrenceville	Conrail	Rail and tie replacement and surfacing. Depending on use of the Cairo Branch, operating assistance will range from \$300,000 to zero. Line rental will be about \$174,000.
Joliet-Matteson	Conrail	Tie replacement, alignment, and surfacing. Operating assistance will vary with timing of removal of safety embargo.
Olmstead-Cairo	Conrail	Tie replacement, surfacing and alignment. Operating assistance will vary with timing of track replacement and use of Cairo Branch. Line rental fee will be about \$28,500.

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\* These projects are all on lines which are currently in the IDOT rail freight program. The inclusion of additional lines and projects in Fiscal Year 1979 will be determined by a number of factors, including the passage of new Federal legislation.



Since the 1977 update, four new lines have become eligible for assistance as the result being granted final abandonment by the ICC. Two of these lines were ranked low in priority for assistance and subsequently no offers for continuation assistance were made (Nifa-West Batavia and Saxony-Pontiac). A subsidy offer was made for a third line (Flanagan-Minonk Jct.) to explore options on retaining the rail line, the offer has been allowed to lapse.

The Department has made an offer to subsidy a fourth line (Alexis-North Henderson) to allow the users, railroad and the Department to explore options to continue service; a final decision has not been made. A review of each of the lines follows.

ICC DOCKET: AB 6(42)

TERMINI: Nifa-West Batavia

COMPANY: Burlington Northern

CURRENT STATUS: Final abandonment order granted 10-12-77

Review: The analysis completed for the 1977 Update showed this line as being ranked in Category 5 - a low priority for continuation assistance. This decision was based upon a variety of factors including: (1) a limited potential for future viability exists because shippers have switched to alternate modes; (2) the benefit/cost analysis indicated less than a 25 cent return for each dollar required; (3) the line was neither essential to the rail network nor to the geographical area where it is located, and (4) the shipments out of the area is stone from quarries which is moved short distances by truck.

As a result of these factors no financial assistance was offered to continue service on the line.

ICC DOCKET: AB 43(20)

TERMINI: Saxony-Pontiac

COMPANY: Illinois Central Gulf

CURRENT STATUS: Final abandonment order granted 7-20-77

Review: Analysis conducted for the 1977 Update resulted in this line being put in Category 5 - a low priority for continuation assistance. The decision not to offer assistance on this line was based upon a variety of factors including: (1) a very limited potential for future viability based upon a preponderance of inbound fertilizer shipments which can be transloaded at other locations in the area; (2) the benefit/cost analysis indicated less than a 55 cent return for each dollar expenditure necessary; (3) the line was neither essential to the rail network nor the geographic area where it was located and (4) shippers were arranging for alternative service. As a result of these factors no financial assistance was offered for the line.

ICC DOCKET: AB 43(21)

TERMINI: Flanagan-Minonk Jct.

CURRENT STATUS: Final abandonment granged 11-25-77, subsidy offer.

Review: This line did not undergo complete analysis during preparation of the 1977 update as all information from the railroad revealed no local service existed on the line. Subsequent public input during circulation of the draft plan update indicated shippers were located along this line and therefore a detailed analysis was undertaken. Before the analysis could be completed, the ICC granted the abandonment. To retain the option of local service, the Department tendered an offer of subsidy, pending the outcome of the analysis and subsequent negotiations. As the result of further review of the line, the Department has decided to not offer a subsidy.

ICC DOCKET: AB 6(43)

TERMINI: Alexis-North Henderson

COMPANY: Burlington Northern

CURRENT STATUS: Final abandonment order granted 8-31-77, subsidy offered.

Review: This line is part of a longer line analyzed in the 1977 Update. That line, Rio-Alexis, was classified as Category 2 - a "medium" priority for continuation assistance. The abandonment petition was subsequently revised to retain service from Rio to North Henderson. This meant that Burlington Northern crews would continue to serve the eastern half of the branch line. At the time the North Henderson-Alexis abandonment was granted, several shippers in Alexis indicated that potential shipments were well in excess of current levels.

The possible traffic and the low incremental cost of the BN crews continuing down the line to serve the Alexis shippers maintained a high benefit/cost ratio for the stub. The Department offered a subsidy to allow exploration of the potential traffic and costs. Discussions with shippers and the Burlington Northern are still in progress.



## RAIL PASSENGER PROGRAM

The Department is not only involved in rail freight programs but also conducts an extensive intercity rail passenger program. The Department's Fiscal Year 1979 Intercity Passenger Program includes \$6.6 million in new funds for operating assistance to continue service on the six trains presently serving over 40 communities and 300,000 passengers per year. The Department's activities in the passenger program include direct operating assistance to Amtrak and the Rock Island Railroad, capital improvements, marketing programs, and ongoing analysis and review of the costs and performance of the passenger trains.

### Amtrak Operations

Continued funding for the four Amtrak trains supported by the State will total \$5.4 million in Fiscal Year 1979. The four trains are:

- o The Black Hawk, service between Dubuque and Chicago with 6 stops en route;
- o The Illinois Zephyr, service between Quincy and Chicago with 8 stops en route;
- o The State House, service between Springfield and Chicago with 4 stops en route; and
- o The Illini, service between Champaign-Urbana and Chicago with 3 stops en route.

The Department will continue to develop and implement special marketing and promotional programs designed to increase ridership on State supported trains. Current marketing efforts have contributed to an overall ridership increase of more than 6½ percent during the past year, with even greater increases during special programs. Current programs include one day trips to Chicago for theater, dining, and sports; and the "Overnighter" including hotel accommodations and gourmet dinner; and the "Learning is Experiencing" program which brings

school children to Chicago to visit museums, historical sites and other points of interest.

The Department funds these trains under a special provision of the Federal law which established Amtrak. That provision allows states to obtain passenger rail service in addition to Amtrak's own system by agreeing to pay 50% of the operating losses, as well as half of any necessary capital expenses (including equipment, station facilities, and track repair). The State has contracted with Amtrak for four trains under this agreement; Amtrak in turn contracts with railroads (in these cases the Illinois Central Gulf and the Burlington Northern) to actually operate the passenger services over their rail lines.

Plans for major new projects in Fiscal Year 1979 are complicated by the uncertainty over Amtrak's own future. Amtrak is dependent upon Congress for operating subsidies which total one half billion dollars. A recent U.S. Department of Transportation study called for major reductions in Amtrak's system and few new routes. At the same time, Congress is considering freezing the current Amtrak system to allow further study. A new president will take office at Amtrak on July 1, making Amtrak's own policies uncertain in the coming months. While the Department is continuing to discuss several possible system changes with Amtrak, the picture for Fiscal Year 1979 will not become clear until well into the year.

#### Rock Island Operations

The State also supports two trains which are operated by the Rock Island Railroad with no support from Amtrak's Federal funds. In Fiscal Year 1979, \$1.2 million, two-thirds from the State and one-third from the Rock Island, will fund the two trains which provide the following

services:

- o Between Rock Island and Chicago with stops in 9 communities en route; and
- o Between Peoria and Chicago with stops in 9 communities en route.

Both trains have been plagued with deteriorating service in recent years. The combination of unreliable rolling stock and poor track conditions has reduced the comfort and convenience of the service. In turn, this poor service has caused ridership to decline sharply while the operating deficit has risen.

While the Department has sought to reduce deficits by improving the quality of rail service, the Rock Island Railroad petitioned to abandon the two passenger trains. IDOT joined with other parties in opposing the abandonment, and the Illinois Commerce Commission rejected the abandonment petition in August, 1977. The railroad petitioned the Interstate Commerce Commission to grant the abandonment, and an administrative law judge issued an initial decision on May 3, 1978 granting the abandonment. As of June 1, 1978, however, the decision had been appealed by a railroad union and referred to the full commission.

The Department is committed to identifying alternatives to either the abandonment or the continuation of the existing poor Rock Island service. Both trains are being examined investigating possibilities for improved service, through track and equipment improvements, aimed at increasing ridership and reducing operating deficits. Unless improved service with a resultant lower operating cost and higher ridership can be found, the decision to continue these trains must be reviewed at mid-year due to budgetary constraints.



## Rail Passenger Capital Program

Work will continue in FY 1979 on the major capital projects included in the Fiscal Year 1978 annual program. Funds will be reappropriated in Fiscal Year 1979 (\$2.7 million) to provide the State's share of costs associated with improving the Rock Island services, the Amtrak station at Bloomington-Normal and the station rehabilitation program conducted in cooperation with Amtrak. The State will continue to work with Amtrak and the affected communities to speed the implementation of these improvements to passenger rail service.

### STATE FISCAL YEAR 1979 RAIL PASSENGER PROJECT LIST

<u>Location</u>	<u>Operator</u>	<u>Project Description</u>
<u>PASSENGER:</u>		
Dubuque-Chicago	Amtrak	Continue current service (one round trip daily) at an estimated deficit of \$1,300,000.
Quincy-Chicago	Amtrak	Continue current service (one round trip daily) at an estimated deficit of \$2,100,000.
Springfield-Chicago	Amtrak	Continue current service (one round trip daily) at an estimated deficit of \$1,000,000.
Champaign-Chicago	Amtrak	Continue current service (one round trip daily) at an estimated deficit of \$1,000,000.
Rock Island-Chicago	Rock Island RR	Continue current service (one round trip daily) at an estimated deficit of \$675,000.
Peoria-Chicago	Rock Island RR	Continue current service (one round trip daily) at an estimated deficit of \$525,000.

## St. Louis Railroad Gateway Terminal Restructuring

A major rail improvement project not directed associated with the Rail Freight Assistance Program is the restructuring of the railroad terminal complex in the East St. Louis area. This project is designed to reduce rail/highway conflicts to increase the efficiency of railroad operations and to free prime land along and near the riverfront for redevelopment. During Fiscal Year 1979, the Department will participate along with the Federal Railroad Administration, the railroads and local agencies in the second phase of the project.

Phase I, conducted by the Federal Railroad Administration, was a general analysis of the problem of railroad restructuring opportunities in the gateway area. Phase I recommends restructuring to consolidate rail activities into two or three major yards and four major corridors. Phase II includes three components. The first component is the terminal restructuring and will involve analyses of railroad operations, labor impacts and potential legal implications; and the preliminary engineering for the restructuring. The second component, area redevelopment, will include an inventory of existing physical, social, economic and energy conditions; a market feasibility study identifying strategies for maximizing the area's redevelopment potentials; and the formulation of the redevelopment strategy. Program evaluation and management, which is the third component, will include implementing the public involvement program; performing the social, economic, environmental and impact analysis and assessment; conducting a comprehensive cost-benefit analysis; specifying how the project will be financed and implemented; and establishing coordination and management mechanisms to be used in the implementation of the project.

Projects: 266.15(c) (3) (vi), 266.15(c) (4) (x-iii), 266.15(c) (5)

These sections will be submitted at a later date with the Department's certified program of projects.

Other Projects: 266.15(c) (3) (vii)

FRA requires a list of projects which the State wished to assist from sources other than the rail service continuation assistance program. The State is anticipating filing an application with the Economic Development Administration (EDA) for financial assistance to repair a track washout on the Olmstead-Cairo line operated by Conrail for the State as part of the rail service continuation program. The amount of assistance requested would be \$167,000.











## CHAPTER FIVE

### Planning Analysis and Results 266.15(c)(3)(vi,vii) 266.15(c)(5)

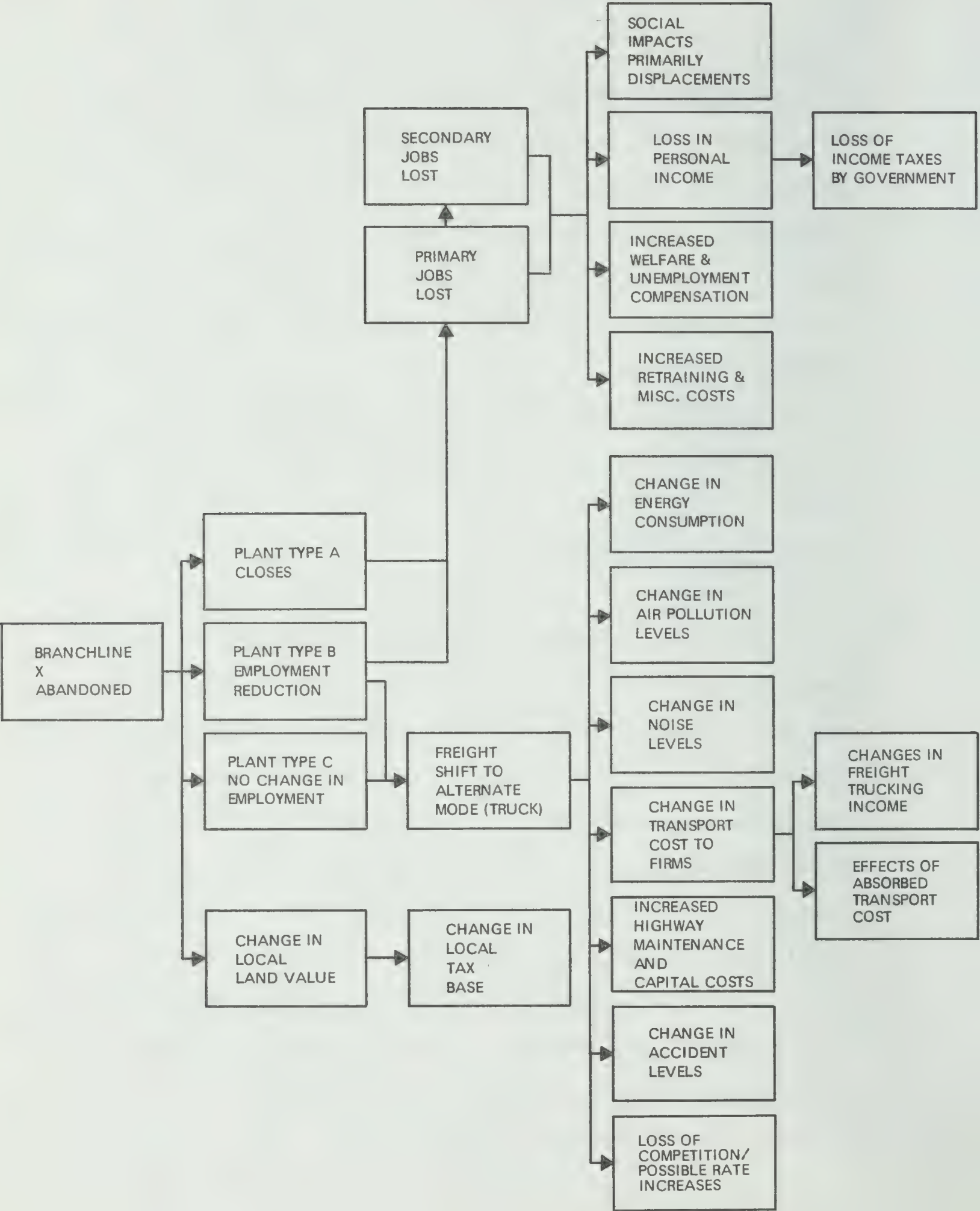
#### Introduction

This document, the 1978 Illinois Rail Plan Update, introduced the new approach to rail planning and programming which the State will undertake in the future. This new system-wide approach represents a further maturing of the State's role in rail transportation. The technical aspects of this new direction, however, are still being developed. The analysis included in this chapter is based, therefore, on the process used in previous plans. A description of the technical processes used by the Department to evaluate each rail line studied in the Plan is also included in this Chapter.

#### The Technical Process

In order to achieve an efficient and reliable rail system serving the State of Illinois, immediate attention has been given to the light density line problem. The Department is interested in maintaining those rail assets within the State that are or can be made viable as part of the State's transportation system; reducing the potentially severe impacts that affected communities may experience from the loss of rail transportation service; and minimizing the public and private costs implicit in other transportation facilities handling the increased load resulting from abandonment. The latter two impacts are summarized in Figure 14. The primary impacts which might be experienced by a community include adjustments in employment, land values and taxes, alteration of transportation services and costs (both public and private), and changes in energy use and environmental impacts.

Figure 14  
POTENTIAL IMPACTS RESULTING FROM  
BRANCHLINE ABANDONMENT



In light of the potential impacts of railroad abandonments the railroad policies of the Illinois Department of Transportation under which this analysis was performed are:

1. To evaluate all rail lines within the State that are or may be proposed for abandonment, and
  - a) to take the steps necessary to maintain in or return to the private sector those lines found to be viable, and
  - b) to arrange transportation solutions, such as the construction of alternate transportation facilities, for shippers on lines found not to be viable.
2. To minimize the necessity for the expenditure of public funds for railroad rehabilitation.
3. To maximize the portion of the State's federal entitlement available for railroad rehabilitation.
4. To take those other actions which may be necessary to provide a viable rail transportation system in Illinois.

The attainment of these basic policies will enable Illinois to have a viable rail transportation system and serve the needs of its citizens.

#### The State Rail Planning Process and Methodology

Illinois has limited fiscal resources from both Federal and State sources for construction and maintenance of all elements of the State's transportation system. As a result, the Illinois Department of Transportation maintains a continuing process of analysis and planning for its transportation system in order to guide the investment of those limited funds. This rail plan is a part of that continuing process. While the Department is concerned with all modes and all aspects of transportation, this document is restricted primarily to rail freight services, and in particular, to local rail service continuation options.



During the planning process, contact and coordination among the rail and highway planning units occurs on a continuing basis. Planned highway projects are examined to determine their impact on the capability of alternate modes to handle traffic from abandoned lines. Similarly, the rail plan is used to determine if certain types of projects should be constructed or delayed until such time as the abandonment procedure is completed. This continuing coordination provides each mode with the ability to anticipate problems which may arise due to actions taken in the various planning and implementation processes. There is also a continuous exchange of data between the various modal planning and operational units.

The Illinois Rail System Plan submitted to the Federal Railroad Administration in December of 1975 dealt primarily with those Penn Central lines left out of the Conrail System. Subsequent Federal and State legislation expanded the program to deal with solvent rail line abandonments. The 1977 plan update was expanded in scope to cover this legislation. This 1978 update analysis uses the basic methodology of the 1977 update with some refinements which allow for a better analysis of each line.

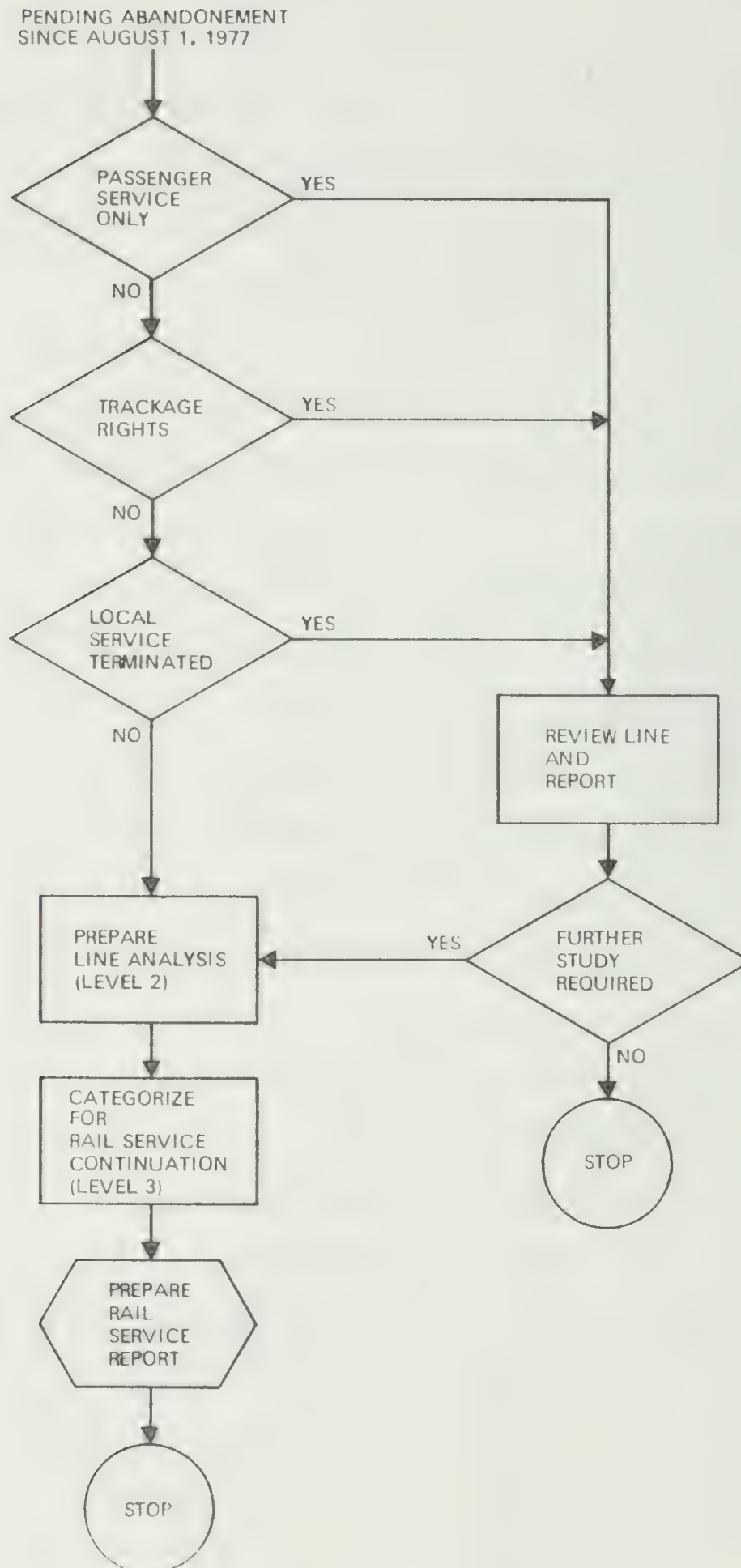
For the purpose of establishing the relative need for the continuation of local rail services on lines subject to abandonment, a three-level technical analysis was undertaken. The first level involved identifying the lines which would undergo an in-depth analysis. The lines selected were then studied in detail in the second level to determine the character of the physical plant, traffic, and shipping needs of establishments along the line. Along with this, a benefit/cost study was performed. The third level involved the development and application of a categorization scheme based on four criteria which were developed from the goals presented earlier. Each level is discussed briefly in the following pages.

### Initial Selection Process--Level 1

According to the Federal requirements, four categories of lines were to be analyzed in depth: 1) lines eligible under Title IV of the RRRRA (Penn Central lines); 2) lines abandoned since January 2, 1974, pursuant to the Interstate Commerce Act; 3) lines with pending abandonment applications; and 4) lines identified as "potential" abandonment candidates on the system diagram maps required under Title 49 of the Code of Federal Regulations, Part 1121.22(b). In the 1977 plan update an analysis was performed on all lines except those which were identified as "potential" abandonment candidates on the system diagram maps. The 1978 plan update analysis is focused on those lines which have been filed for abandonment since August 1, 1977. Lines which were analyzed in the 1977 update but which have had "significant" changes are also reanalyzed in the 1978 update.

There are cases of lines which are eligible for continuation assistance but are not appropriate candidates for in-depth study for a variety of reasons: 1) local service may have been discontinued some time ago so that no shippers are affected; 2) the abandonment application may be for passenger service; and/or 3) the abandonment application may be for trackage rights which have no significant impact on competition or local service. Lines falling into these three areas did not undergo the in-depth analysis. The first level of analysis is illustrated in Figure 15. Lines which did not merit an in-depth analysis are listed in Appendix A along with a discussion of current status and the reasons why each was not studied further. All other lines were then put through the second level of analysis.

Figure 15  
INITIAL SELECTION PROCESS  
BRANCHLINE ANALYSIS  
(Level 1)





## Line-By-Line Analysis--Level 2

After the initial screening of lines, an analysis of service was prepared for each line in question (Level 2). The line analysis technique and assumptions are detailed in Appendix A. The basic approach used was to determine the benefits which would result from maintaining service on the line versus the costs required for maintaining the service.

The benefits of keeping a line in service are basically the negative impacts which would occur if rail service is discontinued: 1) the net increase in handling and shipping costs; 2) net change in energy use; 3) lost payroll taxes; 4) lost property taxes; and 5) increases in highway maintenance and capital costs. While there might be other benefits to rail service, the Department lacked sufficient data to quantify factors other than these five. Qualitative factors such as environmental and social impacts are taken into consideration during the Level 3 analysis.

The calculated costs are based on the "avoidable cost" methodology developed by the Rail Services Planning Office of the Interstate Commerce Commission. Essentially, the cost item is the net operating deficit on branch operations plus a line rental fee. Where appropriate and necessary, rehabilitation costs (to FRA Class I speed standards with a 263,000 pound load capability) are included and annualized over a 10-year period. Also included is an incremental annual maintenance cost to maintain the line at the FRA Class I level with the 263,000 pound load capability. The detailed assumptions, methodology, and results of the line-by-line analysis are included in this Chapter and Appendix A.

The Department conducted this analysis utilizing the revenue and shipping data provided by the railroads. The costs necessary to upgrade the lines were determined by a private consultant, hired by the Department, who conducted an inspection of each line for use in the analysis. Where possible, contact was made with shippers in an attempt to verify data provided by the railroad and to obtain additional information. The Department will take no final position regarding the need for public investment in a line until local and regional governmental bodies, the railroads railroad labor, rail users, and other interested parties have had the opportunity to comment on the data presented here and offer additional data. The Department will formulate its investment policy regarding these lines after receipt of such public input and further detailed analysis on a line-by-line basis.

#### Developing Criteria for Rail Service Continuation-Level 3

The report to this point has been limited to the collection and analysis of data pertaining to the existing characteristics of branchlines for which rail service continuation is in question. This section develops the set of criteria used to assemble lines eligible for assistance into the investment categories.

Four factors examined in the investment criteria are: 1) the potential of the line for economic viability in the near future; 2) the impacts that would result should service on the line be discontinued; 3) the relationship of the line to the remaining rail network and to the area it serves; and 4) the ability or inability of alternate modes of transportation to meet the shippers' needs.

1. Is there potential for future economic viability?

As one of its stated goals, the Department is to provide assistance to rail lines where the potential for economically sound operation in the near future is high, therefore, the categorization process must examine the costs and revenues generated by each branchline under analysis. Items which are included in making this determination are; the current revenue and expenditures on the line (assuming that rehabilitation to FRA Class I/263,000 lbs. has taken place and only normalized maintenance costs will be incurred); the potential for increased shipping activity on the line by firms currently located on the branch (with either existing rates or with the inclusion of incentive rates for unit trains); any commitments by a new or existing industry to expand, therefore providing additional traffic on the branch; and the existence of new or relatively untapped mineral resources. Also examined are; the effects on the line if possible user charges are placed on the waterways; effects of possible increased fuel costs; the possibilities of different service operations; and the potential for operation by another railroad.

2. Are the impacts of loss of service greater than the costs of continuing service?

The majority of impacts experienced by the discontinuance of branchline rail service are quantified by using a comparison of benefits and costs. The benefits used are actually the incremental costs which would be incurred if rail service ceases. The costs involve a determination of total assistance required on the part of the State and/or Local authorities to make the rail operation run efficiently. Also taken into consideration are the social and environmental impacts which may result from a loss of rail service but which are qualitative rather than quantitative in nature.

The details of the benefit-cost calculations were provided in the Level 2 discussion.

3. Is the line essential to the rest of the rail system?

Key elements to be considered here are; the contribution the line makes to total rail system continuity; whether the line is a link or a stub; the availability of interchanges and the compatibility of branch traffic with possible interconnecting railroads; the ability to maintain existing market areas, or special services provided to shippers; the retention of rail transport alternatives where no competition would exist should service be stopped; and the size of an area left without rail service if the line is abandoned.



4. Are viable alternative transport modes available?

This factor is included in the categorization process to examine whether or not non-rail transport options exist for a particular branch. Elements considered here include: the availability of adequate highways to handle branch commodities; the existence of adequate handling facilities for the particular commodities handled on the branch; the proximity and availability of waterway modes; the existence of other compatible railroads with facilities for truck loading and unloading; and the existence of any rail bound shippers.

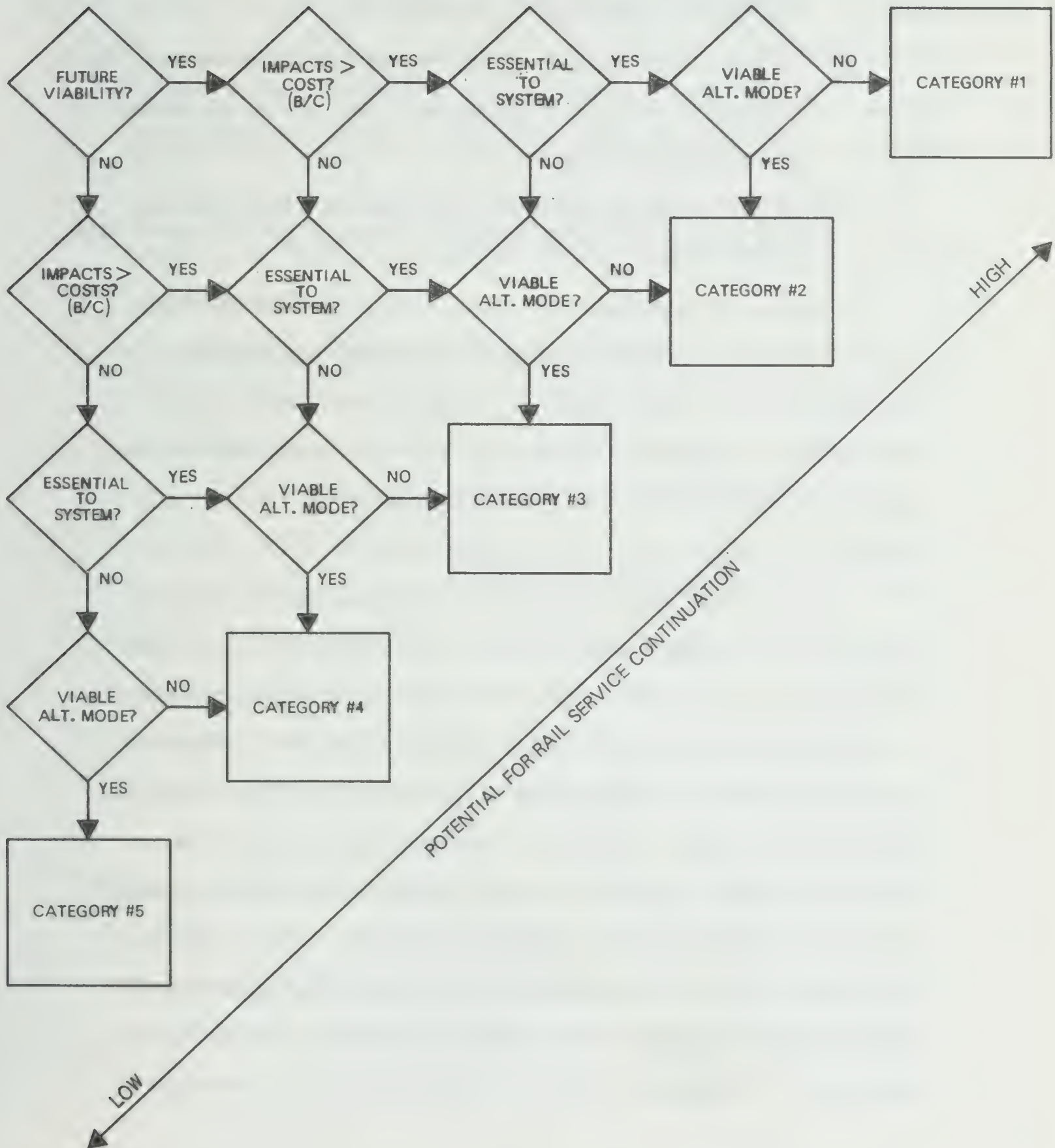
The structure for applying these criteria to a line is shown in figure 15.

Each line under consideration was categorized on the basis of all four of the above criteria. It should be emphasized that analysis under these criteria did not yield numerical scores for a precise rank-ordering of all lines that are eligible for assistance. Rather, this analysis organized the lines into categories that can be used to guide the investment of funds available for rail assistance.

Finally, the State has also developed a set of rail investment priorities to guide the development of a solution for each line selected as a candidate for public investment. These priorities are:

- 1) To keep the line within the system that currently owns it and to prevent abandonment by making a capital investment that would prevent the abandonment. This would involve identifying those lines which may be candidates for abandonment before the deferred maintenance reaches the point where the owning company feels the necessity to file for abandonment. The advantage here is the fact that this action involves only a one-time investment where the exact amount is known in advance.

Figure 16  
CATEGORIZATION FOR RAIL SERVICE CONTINUATION  
(Level 3)



- 2) To keep a line, which has already been filed for abandonment within the system that currently owns it, by making a capital investment on that line.
- 3) To assist the shippers in locating a railroad operator to come in and operate the line in cases where the shippers are unable or unwilling to acquire the line themselves. This type of assistance would again involve either a capital investment or limited-term subsidy.
- 4) To assist the shippers in purchasing and operating the line if the owning company is for some reason uninterested in keeping it within its own system. The type of assistance involved here would either be a capital investment or a limited-term subsidy.
- 5) To assist the shippers in relocating at a cost less than continuing to operate the line if none of the aforementioned are feasible.

It should be remembered that these five priorities represent an ideal situation. Present law does not permit the Department to take action in all five areas. It is hoped that eventually the Department will have this flexibility, but until such time, actions can only be taken pursuant to existing legislation.

The Public Involvement Process: 266.15(c) (6)

As part of the total program for rail planning, the Illinois Department of Transportation conducts a continuing process of public involvement. It is the intent of the public involvement process to provide an opportunity for affected shippers and other interested persons and groups to participate in the development and review of the State Rail Plan. This public involvement process will be approached in four stages. The first stage involves contacts which take place during the plan preparation process. Second, the Preliminary draft will be distributed to shippers, legislators and other State or regional interest groups. Third, a series of public hearings will be held to solicit information from all interested



parties. Finally, the preliminary draft of the Rail Plan Update is submitted to the State Clearinghouse for A-95 review.

#### Stage I: Ongoing Public Input

Since submittal of the 1977 Rail Plan Update, the Department has pursued a policy of continued contact with those parties involved in light density line problems. These contacts involve not only shippers on affected lines but also the railroads, regional planning agencies, legislators, and other interested parties. A list of those parties which the Department has contacted on each line can be found in the "Public Involvement" section of the individual line-by-line analyses.

#### Stage II: Preliminary Plan Distribution

This Preliminary Draft of the 1978 Illinois Rail Plan Update was mailed out beginning June 5, 1978. The copies of the plan were preceded by a letter of notification and hearing schedule which was sent by first class mail.

The distribution of the Preliminary Draft totaled over 1500 copies. Recipients of this Draft consisted of rail shippers, State and Federal officials, City and local officials, Local and Regional Planners, Rail Unions, Railroads, Illinois State Agencies, adjoining States, and other interested parties. The list of parties, to which copies were sent, was obtained from past plan distribution lists as well as affected shippers on lines being studied and other people contacted during the continuing planning phase. This Preliminary Draft has been distributed to these interested parties to allow the opportunity to review the contents and give them time

to submit comments prior to the completion of the final plan to be submitted to the FRA on August 1, 1978.

### Stage III: Public Hearing Meetings

During the first two weeks in July, the Department will hold a series of five public hearings throughout the State. Hearings will be held in Quincy, Carbondale, Ottawa, Urbana, and Springfield. After the distribution of the Preliminary Draft on June 15, there will be ample time for interested parties to review the material and to comment at the public hearings. The Department will also receive any written comments pertaining to the plan. Notification of the public hearings was accomplished by sending a letter to the plan recipients as well as publication of the notice in various newspapers around the state.

### Stage IV: A-95 Review

In accordance with the procedures established under State and Federal law, the preliminary draft was submitted to the State Clearinghouse for A-95 review. The A-95 comment period began June 12, 1978 and will end after the required 45 day period.

The purpose for the A-95 review is to facilitate coordinated planning on an intergovernmental basis and insure that programs of all Agencies receiving Federal funds are coordinated through project implementation. The draft and final plans are processed through the State Clearinghouse and notification for review is given to various agencies including the Departments of Agriculture and Conservation, the Environmental Protection Agency, the Illinois Nature Preserves Commission and the Governor's Office. All parties have access to the Plan and comments received by them will be considered

and reflected in the final 1978 Rail Plan Update.

### Analysis Results

Of the six lines for which abandonment applications have been filed since August 1, 1977 that were analyzed in Level 1, five lines were found to merit the further detailed analysis of Level 2. One line, Quincy to East Hannibal, was not analyzed in detail since there has been no service since July, 1976.

The remaining five lines were analyzed in detail (Level 2) as shown in Appendix A. Also analyzed in detail were three lines which were analyzed in the 1977 update but had significant changes in the applications since that update.

These three lines were, Ashland to Mason City, North Henderson to Alexis, and Freeport to Madison, Wisconsin. (See Table 12). These eight lines were then put through a preliminary Level 3 analysis.

The results of the Level 3 analysis are shown in Table 12. Also shown are those lines analyzed in the 1977 update which still have pending abandonment applications. It should be emphasized that the analysis under these criteria does not yield numerical scores for precise rank-ordering of all lines studies. Rather, this analysis organizes the lines into categories that can be used to guide the investment of funds available for rail service continuation. Table 12 also contains the estimated annual operating cost as well as the estimated rehabilitation costs to FRA Class 1 with a 263,000 lb. load limit. Table 13 summarizes by category the mileage, annual operating costs, and total rehabilitation costs.



## Financial Summary

If service were continued on all 25 lines with pending applications, the total estimated cost of operating assistance and rehabilitation would be approximately \$20 million. Illinois is currently entitled to approximately \$6 million in federal funds for fiscal year 1979 under the RRRRA. It is obvious that this amount is not sufficient to fund all of the lines currently pending abandonment. Although additional funding may be available to Illinois, this will depend upon three variables: 1) the number of lines which become eligible in the State; 2) the number of lines which become eligible for the nation as a whole; and 3) the amount of money spent by other states. None of these variables is known at this time. In any event, even with additional funding available, it is unlikely that the amount available to Illinois will be in the range of \$20 million.

The set of criteria developed by the State for the development of a solution for each line selected as a candidate for public investment was discussed earlier. It is realized that any particular pending abandonment may be granted in the future without regard to category. The Department will decide the feasibility to public investment on specific lines after the abandonments have been granted.

It should be emphasized that the results of the above analysis are not the final determination of which lines will receive assistance for rail service continuation. Under present Federal and State Legislation, pending abandonments and potential abandonments are not eligible for assistance. The State is required to submit to the FRA its certified list of projects, for which the State desires assistance during Federal Fiscal Year 1979, no later than October 1, 1978.

TABLE 12. LEVEL 3 ANALYSIS: CRITERIA APPLICATION AND RESULTS

Lines Analyzed in 1978 Plan Update										
Line	Public Comment	Length (Miles)	Rehab. Cost to FRA Class 1 (Dollars)	Annual Oper. Cost (Dollars)	Future Viability	Benefit/Cost	Essential to System	Alternative Modes	Category	
Rockford-Winnebago AB-1(63)		6.9	285,000	48,547	Yes	0.31	No	Yes	4	
Mt. Vernon-(West) AB-3(16F)		3.6	42,000	52,119	No	0.72	No	Yes	5	
North Henderson-Alexis AB-6(43) <sup>1/</sup>		5.5	344,000	33,537	Yes	2.47	No	No	2	
Quincy-East Hannibal AB-6(46)		12.6	This line has not been operated since July 25, 1976.							
Kirkland-DeKalb AB-7(51)		14.5	928,000	40,718	No	0.13	Yes	Yes	4	
Momence-Joliet AB-7(52F)		35.0	2,130,000	215,832	No	0.41	Yes	No	3	
Freeport-Madison, Wis. AB-43(26) <sup>2/</sup>		No traffic on Illinois section so economic analysis not applicable.								
Ashland-Mason City AB-43(31) 1/		26.5	0	151,350	Yes	1.04	Yes	No	1	
Barnes-Herschler AB-43(43)		63.0	3,100,000	223,508	Yes	2.62	Yes	No	1	
Lines Analyzed in 1977 Plan Update										
Camdon-W. Frankfort AB-6(44)	No	3.99	58,200	31,100	No	0.56	Yes	Yes	4	
S. of Streator-N. of Fairbury AB-10(6)	Yes	27.13	600,000	200,400	No	0.47	No	No	4	
Elvaston-Versailles AB-10(10)	Yes	54.5	3,796,000	439,500	No	0.32	No	Yes	5	
Joppa Jct.-Fayville Jct. AB-11(0)	Yes	25.7	0	135,700	No	0.69	Yes	No	3	
Goodwine-Alonzo AB-11(3)	Yes	3.03	164,700	32,800	Yes	1.08	No	No	2	

Line	Public Comment	Length (Miles)	Rehab. Cost to FRA Class 1 (Dollars)	Annual Oper. Cost (Dollars)	Future Via- bility	Benefit/ Cost	Essen- tial to System	Alter- nate Modes	Category
Coalshaft-Beardstown FD#26745	Yes	43.7	1,630,600	186,500	No	0.18	Yes	Yes	4
Springfield-Flora AB-19(27)	Yes	103.29	0	497,700	Yes	1.67	Yes	Yes	2
Elco-Murphysboro AB-43(16)	Yes	36.0	624,700	300,000	No	0.04	Yes	Yes	4
San Jose-Croft AB-43(18)	Yes	18.17	584,100	74,900	No	1.18	No	Yes	4
San Jose-Grove AB-43(19)	Yes	21.67	250,100	148,600	No	0.35	No	Yes	5
Marion-Seely AB-43(27)	Yes	14.5	144,800	32,800	Yes	4.39	No	No	2
Waggoner-Glen Carbon AB-43(30)	Yes	53.92	0	436,000	No	0.13	Yes	Yes	4
LeRoy-Fisher AB-43(32)	Yes	20.96	341,100	43,900	Yes	2.55	No	Yes	3
Pyatts-Vergennes AB-43(33)	Yes	7.4	147,300	25,900	Yes	1.84	No	Yes	3
Gifford-Potomac AB-43(34)	Yes	11.65	222,300	6,900	Yes	5.24	No	Yes	3
Dwight-Washington/Varna-Lacon FD#26764	Yes	79.6	1,238,800	425,100	No	0.37	No	Yes	5

1/ These lines analyzed in the 1977 plan update but reanalyzed in the 1978 update because of significant changes in the abandonment applications.

2/ There was no traffic on the Illinois portion of this line so the economic analysis was not applicable. The Department has been in contact with Wisconsin and will continue to coordinate with them on any actions which may be appropriate.



Table 13. LEVEL 3 SUMMARY

CATEGORY	MILES	LINES	ANNUAL OPERATING COSTS	TOTAL REHAB. COSTS	PRIORITIES FOR RAIL ASSISTANCE
1	89.50	2	374,858	3,100,000	High
2	126.32	4	596,837	653,500	Medium
3	100.71	5	428,232	2,340,700	Low
4	204.31	8	1,318,165	4,710,600	
5	159.37	4	1,065,319	5,326,900	
TOTALS	630.21	23	3,783,411	16,541,700	

NOTE: Table does not include the Quincy-East Hannibal and Freeport-Madison branch lines.









## APPENDIX A

### Individual Line-By-Line Analysis 266.15 (c)(4)(i-ix)

#### Introduction

This appendix contains the results of the detailed line-by-line analysis (levels 1 and 2 as described in Chapter 5) which was performed on each line which has been filed for abandonment since August 1, 1977. Information on the Title IV Penn Central lines is contained in Chapter 4 and, as mentioned previously, data was not available to permit an analysis of the lines listed as potential abandonments.

#### Assumptions and Methodology: 266.15(c)(4)(i-vi)

Federal regulations require states, wishing to receive assistance to provide information to describe, among other things, the potential for moving rail traffic by alternate modes, and the relative economic, social, and environmental costs and benefits involved in the use of alternate modes. These costs include those resulting from lost jobs, energy shortages, and the degradation of the environment. This appendix contains a line-by-line analysis and includes the required information. Assumptions made in the course of the line-by-line analysis are described in the following sections.

#### Present Condition and Present and Future Service Needs

Much of the information provided in this section was supplied by the railroads. The Department did, however, have an independent consultant perform an inspection of each line to verify its physical condition. Attempts were made to contact shippers and other agencies to determine present and future service needs. In some cases all interested parties could

not be contacted. The Department would welcome any additional data and information from the public.

#### Cost/Revenue Data

This section of the analysis estimates the annual operating assistance that would be required to continue operation of the line. The information on revenues, on-branch costs, and taxes was obtained from the various railroads from their respective abandonment applications and has not been verified. The "operating assistance required" figure was calculated based on this information.

The net salvage value was also obtained from the railroads, and has not been verified. This represents their estimate as to the net value of the rail line exclusive of the value of the land itself. In figuring the annual operating assistance required, a return of 6 percent on the net salvage value was used. This was estimated to be a fair rate of return on the investment. Actual subsidy payments will have to conform to RSPD subsidy standards and will be determined at the time the actual subsidy is negotiated.

Upgrading costs were figured on the cost of bringing a line up to FRA Class 1 standards with the ability to handle 263,000 pound cars. To be competitive in an agricultural producing region the railroad must be able to handle these large cars. In figuring the assistance required, the upgrading costs were annualized over a 10-year period. These costs were obtained from a private consultant who was hired by the Department and performed a physical inspection of each line.

The rehabilitation costs for most of the branchlines reflect a backlog of deferred maintenance. It is therefore unrealistic to apply the total cost of rehabilitation to a single year. This should



instead be prorated over some time frame. However, due to the State policy that rail assistance should be a short-term program, annualization over the useful life of the plant and equipment is not feasible. The State should be able to recoup its investment over the time frame of its basic policy rather than the much longer useful life of the plant. Therefore, it was determined that annualization of rehabilitation costs will be over a 10-year period, regardless of the type of rehabilitation needed. The 10-year time frame does not burden the viability of the line with excessive rehabilitation costs resulting from deferred maintenance costs; yet, it is short enough that the State's investment can be recouped in the time frame consistent with the basic policies of the State.

This 10-year annualization period also corresponds to a cyclical maintenance period for railroad work. The objective is to rehabilitate the line to a point where the normal cycle of maintenance will keep it in the desired condition. Therefore, a 10-year annualization period was used so that the line could be returned to a condition of cyclical maintenance (Under the Regional Rail Reorganization Act of 1973 the Rail Services Planning Office also used a 10-year annualization factor. This reinforced the use of 10-years which was based on the factors already explained.)

The operating assistance required reflects the railroad's revenue minus the expenses, return on net salvage value, cost to upgrade, and the cost for maintenance. This is the amount of money which would be required annually to cover all costs which are over and above the line's revenue.

## Alternate Mode and Increased Transportation Costs

Shippers faced with the possible loss of rail service are also faced with a variety of options on how to move their commodities. These options include relocation, continuation of rail service by another carrier or a short line, and switching to another mode such as truck or barge.

In some cases a firm will see no other alternative to loss of the rail service besides relocation. Where this is the case, it will be taken into account in the line-by-line analysis. In the majority of cases, however, relocation is not the solution to the loss of rail service.

The development of alternative rail service options such as having another railroad serve the line, instituting a short line operator, or having the shippers operate the line may be feasible for certain lines. At this stage of the planning process detailed development of such options is not appropriate. Data is neither complete or refined enough for such analysis. The combinations of service arrangements, routings, tariffs and such that could be developed for each line would not serve the objectives of this document. This type of detailed analysis is more appropriate in the project selection and programming stage. Where such information is available during the planning stage, these options will be discussed in detail in the line-by-line analysis.

Truck service can be substituted for rail for most commodities on most branchlines. This substituted service either involves trucking the entire distance or transferring the cargo at the nearest railhead.

The Department has made a study of freight transfer and trucking costs which are contained in Table 14. The data used to determine the increased handling and trucking costs, the commodity's origin, destination, and tonnage were obtained from the railroads. The rates and charges in Table 14 were then applied to movements to the nearest railroad with the ability to handle the commodities or, in the event of local traffic movements, to the origin or destination. Several assumptions were made:

1. Each truckload consisted of the maximum legal weight, and payload costs were figured one-way with no return haul. A majority of the truck payloads calculated were grain or fertilizer. A truck carrying grain to a terminal elevator would seldom, if ever have a return load. The same would hold true for a truck delivering fertilizer.
2. The increased handling charge included shrinkage, loss and damage that occurred during handling. Each time grain is moved, a small part is cracked or spilled. For fertilizer, each time handling is required, a small amount is lost or contaminated. These charges are generally accepted rates in the industry.
3. Trucks were available as needed. While grain trucks are normally in short supply in Illinois during harvest, as are rail cars, this assumption was necessary to compute the increased transportation costs in the event that the rail line was abandoned. In some



Table 14. TRUCK RATES BY COMMODITY FOR ILLINOIS

Tariff for Grain  
Miles      Cents per Bushel

1- 10	8
11- 20	9
21- 30	10
31- 40	12
41- 50	13
51- 60	14
61- 70	15
71- 80	16
81- 90	18
91-100	19
101-110	20
111-120	21
121-130	22
131-140	23
141-150	25

Tariff for Manufactured Goods  
Miles      Cents per 100 lbs.

1- 10	53
11- 20	55
21- 30	64
31- 40	67
41- 50	68

Tariff for Lumber  
Miles      Cents per 100 lbs.

1- 20	35
21- 40	42
41- 60	49
61- 80	56
81-100	63

Tariff for Bulk Fertilizers  
(Dry or Liquid)  
Miles      Cents per 100 lbs.

1- 10	20
11- 20	22
21- 30	25
31- 40	27
41- 50	29
51- 60	33
61- 70	35
71- 80	40
81- 90	43
91-100	47

Tariff for Feed  
Miles      Cents per 100 lbs.

1- 10	29
11- 20	30
21- 30	33
31- 40	34
41- 50	35
51- 60	36
61- 70	37
71- 80	39
81- 90	40
91-100	42

Extra or Increased Handling  
Charges  
Commodity      Cents per ton

Grain (bulk)	\$ 2.85*
Fertilizer (bulk)	5.00
Lumber & Feed	7.50
Manufactured Goods	6.00

\*(8¢ per bu.)

Source: Mid-West Truckers Association

cases, truck availability would depend on making necessary road improvements and repairs to handle legal limits. These increased costs are reflected in the line-by-line analysis.

4. The traffic in towns with two or more railroads would be picked up by the remaining railroads. This assumption may not be correct in all instances. If traffic was sufficient to cover increased railroad operating expenses, there would usually be no increased transportation costs because of "point-to-point" rates. There may, however, be increased shipping time. If the crossing railroad is incompatible with the type of commodity carried, it is pointed out in the line-by-line analysis.

Another viable transportation option available to many shippers in Illinois is a combination truck-barge movement. This type of shipment is common in areas which are within 50-75 miles of a navigable waterway. The exact distance at which this combination becomes a viable alternative depends a great deal on the barge rates at any given time. Barges are unregulated carriers and as such their rates can fluctuate in response to the forces of supply and demand. It is assumed that the 50-75 mile distance is one where the truck-barge combination is usually a viable option. This option will be discussed where applicable in the line-by-line analysis.

The impacts that increased transportation costs will have on any firm will depend on a variety of factors including the type of business, location, current mix of modes of transportation used,

and current markets. Attempts were made to contact shippers on the lines filed for abandonment, and this data is found in the line-by-line analysis.

#### Highway Improvement Costs

The practicality of using trucks as an alternative to rail service would depend on the condition of the highways. In determining these costs, each station was connected to the nearest state highway which was in adequate condition to handle the legal load limits. The costs used were based on an average replacement cost of \$100,000 per mile for township roads, \$150,000 per mile for county highways, and \$600,000 per mile for state highways. In some cases, only widening would be required with costs of \$90,000 per mile for township roads, \$100,000 per mile for county highways, and \$250,000 per mile for state highways. An incremental annual maintenance cost was also added to each section needing improvement. Structures were evaluated as to their ability to carry the legal load, and where needed, replacement costs were calculated at the rate of \$2,250 per linear foot for township bridges, \$2,550 per linear foot for county bridges, and \$3,300 per linear foot for State bridges. The investment in highways and structures was also annualized over a 10-year period. This was done in order to keep the return on investment in the same time frame as that for railroad rehabilitation and produce a meaningful benefit-cost analysis. These annual highway improvement costs are reflected in the line-by-line analysis. If, however, any station had fewer than 15 cars per year, no highway costs were considered. This assumption was made



since 15 cars equates to approximately 60 trucks per year, which is about 1 per week. Most highways could handle this traffic, or the shippers could switch to smaller trucks for this small amount of traffic.

### Lost Jobs and Sales

The impact that an abandonment will have on jobs, income, and sales is one of the most difficult areas to measure. There is a wide variety of impacts which could occur depending on the nature of the firm's business, its location, and its marketing area. The impacts could range from a plant closing or relocation to no impact on jobs or sales. With the possible exception of lumber yards most retailers or wholesalers who receive shipments by rail will suffer little impact from an abandonment. In certain types of manufacturing and extractive industries, a rail abandonment would have substantial impacts. Many, if not most, of the businesses located on each of the branchlines are agriculture related. Due to the nature of these businesses, grain elevators and fertilizer dealers, the total impact on lost jobs and sales will be negligible. This results from the fact that all of these businesses are competitive. A firm, which has increased transportation costs as a result of an abandonment, may lose some business. This business will, however, be picked up by competing firms in the area. As a result there should be no net decrease in jobs. In fact, due to increases in trucking, a net increase in employment should result. Any cases where shippers indicated that they would be forced to cut back or close are pointed out in the line-by-line analysis.

## Increased Fuel Consumption and Environmental Impacts

Under conditions of high capacity utilization, rail movement is roughly four times more efficient than truck movement. However, many branchline operations fall well under operation at capacity so that trucks may be more fuel efficient than rail. For purposes of this study, a truck fuel consumption of 5 miles per gallon was assumed. Locomotive fuel consumption was assumed to be 2 gallons per mile as an average. This assumption was borne out by the paper, "Fuel Consumption in Rail Freight Service: Theory and Practice", by the U.S. Department of Transportation, Transportation Systems Center. The increase or decrease in fuel consumption resulting from each proposed abandonment is stated in the line-by-line analysis.

The impact on air pollution is almost parallel to fuel consumption. In cases where truck fuel consumption is less than rail fuel consumption, there will most likely be a net decrease in air pollutants. Where truck fuel consumption is greater than rail, the increase in air pollutants will be a function of the incremental increase in fuel consumption. In certain urban areas which are sensitive air quality areas, this change could be significant. With most branchlines being in the rural areas, the increases in air pollutants resulting from rail abandonments have negligible impacts.

Rail service discontinuance will result in a reduction of noise levels in the vicinity of the rail lines. Truck traffic will increase which will cause some change in noise levels associated with truck movements. Due to the rural location of most branchlines, the change in noise levels also has negligible impacts.

The impact of rail abandonments on water pollution is also negligible. There may be some positive effect on water quality due to the cessation of chemical usage for vegetation control and the lessened potential from spills resulting from derailments.

In summary, the environmental impacts resulting from rail service discontinuance are negligible in the majority of cases. In any cases where the environmental impacts resulting from an abandonment are significant, the impacts are discussed in the line-by-line analysis.

Methods of Achieving Economies in Rail Operation: 266.15 (c)(4)(vii)

When performing the line-by-line analysis, an evaluation was made of the methods of achieving economies in the cost of rail service operations. This evaluation included consolidation, pooling and joint use or operation of lines, facilities and operating equipment. The results of this evaluation, where applicable, are contained in the line discussion.

Competitive Effects on Other Railroads: 266.15 (c)(4)(viii)

Any abandonment has the potential to affect other railroads. The primary effect involved is the loss of traffic and revenue which would be the result of the interchange of the branchline traffic. Loss of branchline traffic results in a loss of traffic for the system as a whole. Unless otherwise stated in the individual line-by-line analysis, loss of branchline traffic will be assumed to result in a loss of volume and revenue for the entire system. Specific effects, where determinable, are examined under the analysis for the individual line.



#### Rail Banking: 266.15 (c)(4)(ix)

When performing the line-by-line analysis, consideration for rail banking was made for future economic potential such as fossil fuel reserves, agricultural production, future passenger routes or system continuity. The lines which have potential for rail banking are discussed where applicable in the line discussion.

#### Property Taxes

The abandonment of a rail line could result in a potential loss of the property taxes paid to local taxing districts. This results from the fact that public agencies have the first right of refusal for the abandoned rights-of-ways. If a public agency does take over land the tax revenue would be lost to the local areas.

#### Line-By-Line Results

Based on the above assumption and methodology, the remainder of this appendix consists of the analysis performed on each line under study. A preliminary level 3 analysis was performed on these lines at this time. All lines will undergo a final level 3 analysis after the public, rail shippers, railroads, and other interested parties have had a chance to review and comment on this analysis.

LEVEL 1 ANALYSIS AND RESULTS  
NON-VIABLE LINES





LINE IDENTIFICATION

ICC Docket Number: AB-6(46)

Termini: A point south of Quincy to East Hannibal

Company: Burlington Northern INC. (BN)

LINE STATUS

Abandonment granted May 3, 1978, pending the ammendment of the initial application. (See Discussion)

LOCATION

Adams and Pike Counties, Illinois

LINE AND SERVICE

This line extends in a north-south direction, a distance of 12.60 miles, between a point south of Quincy to East Hannibal. This abandonment also includes trackage rights from East Hannibal to Hull, 7 miles to the east, on the Norfolk & Western RR line.

The Burlington Northern has not provided service on the section it owns, from Quincy to E. Hannibal, since 1974. Service was provided on this section by the Norfolk & Western Railway (N&W) through a trackage rights agreement with the Burlington Northern.

This service, however, was terminated as of July 25, 1976. The N & W received an emergency order to run its shipments over a parallel line just across the Mississippi River in Missouri. The overhead traffic carried on this line, therefore, was transferred to the parallel Burlington Northern line in Missouri.

An agency station located in Quincy maintains operations on the northern section of this branch that will remain in service.

Structures existing on the section to be abandoned are eight bridges and 27 culverts.

No interchanges or shippers are located south of Marblehead.

Highway crossings that will be eliminated if this abandonment is granted are 14 public and 35 private at-grade crossings.

#### PRESENT CONDITION (Fed. Reg. iii)

As stated by the Burlington Northern, as of 1975 this line was capable of carrying loads of 263,000 pounds and could facilitate a plate F size car.

Through an inspection and interviews held with shippers on this line the following findings were established.

A 144' iron thru-truss bridge located at mile post 269.58 near Marblehead is in poor physical condition. The piers, composed of stone masonry and concrete, were constructed in 1871 and are subjected to erosion by Mill Creek which runs into the Mississippi River nearby. Due to deterioration and erosion, both the bridge and the subsurface of the piers are in need of rehabilitation. This section extending from Marblehead to E. Hannibal is also subjected to flooding on many occasions, making shipments impossible during these periods.

The north section from Marblehead to Quincy, which is not included in this abandonment, has been rehabilitated in a conjunctive effort of the Burlington Northern, the Norfolk and Western Railway, Quincy Soybean INC. and Calcium Carbonate INC., to the extent that flooding does not affect shipments. Only under very extreme flood conditions is this section affected, and then only for a very short period of one or two days.

The Department has hired an independent consultant to inspect this line. From this inspection, the costs required to upgrade this branch to FRA-1 with 263,000 pound load capabilities are \$370,000. The annualized maintenance costs required to retain the FRA-1 class standards and the 263,000 pound load capabilities are \$53,200.



This track is predominantly (80-90%) 75 pound rail approximately 80 years old. The balance is 100 pound rail, approximately 50 years old. There have been some tie renewals during the past several years. Tie plates are generally in place, and there are some anchors. The subgrade is in generally good condition. The entire line is ballasted with cinders. The track generally meets FRA Class 1 requirements, but some FRA Class 1 defects were noted. Some limited areas requiring ditch cleaning were noted. There has been no recent traffic on this line.

#### PRESENT AND FUTURE SERVICE NEEDS (Fed. Reg. iv, ix)

During the inspection of the line the Department verified that no shippers exist from Marblehead to E. Hannibal. Since (1) no shippers exist, (2) the line is subjected to flooding, and (3) the bridge located at Marblehead is in poor condition, this section has no potential for future viability.

The only justifiable reason for retaining this section, from Marblehead to E. Hannibal, would be to allow a means of rail transport from Quincy to the gateway at E. Hannibal. The only necessity for the Burlington Northern to run south, out of Quincy, is if some catastrophic condition existed at the river crossing at Quincy. It would be unreasonable, however, to request this railroad to bear the expense of the retention of this line, in the event of a catastrophe. Rail shipments could cross the Mississippi River further north at Burlington, Iowa, or further south on other railroads' crossings in the event of emergency or catastrophic conditions.

The abandonment of trackage rights from E. Hannibal to Hull will not be of any impact either, since the Norfolk and Western has taken over shipping duties of the businesses located in Hull.

#### PUBLIC INVOLVEMENT (Fed. Reg. 266.15(c)(6))

The Department has contacted four shippers involved with this abandonment. These companies are:

Calcium Carbonate	Quincy, Ill.
	Marblehead, Ill.
Atom Stone and Material	Marblehead, Ill.
Wicks Lumber	Quincy, Ill.
Quincy Soybean INC.	Hull, Ill.

The Department will take no position regarding the need for public investment in this line until local and regional governmental bodies, the railroads, railroad labor, rail users, and other interested parties have had the opportunity to comment on the data presented here and offer additional data.



The Department will formulate its investment policy regarding this line after receipt of such public input and further detailed analysis on a line-by-line basis.

#### DISCUSSION

In the initial application of this abandonment to the Interstate Commerce Commission, the Burlington Northern was considering abandoning 12.6 miles of track. This distance, from mile post 267.28 near Quincy, to mile post 279.88 at the southern end of the line at E. Hannibal, will be shortened. According to a shipper located at Marblehead, the ammended abandonment is to include only 10.3 miles of track from mile post 269.58 at Marblehead to mile post 279.88 at E. Hannibal. Since the shipper lcoated at Marblehead has been reassured by the Burlington Northern that they will not be abandoned from service, the Department expects that the ammendment is forthcoming. At the time of this writing, the Department has not received the ammended application.

The information provided on the first page of this analysis is the data furnished in the original abandonment application. This line was analyzed using information received from shippers at Marblehead and points north.

If the original abandonment application is not shortened to allow shippers at Marblehead to retain rail service, this analysis will be invalid. The Department believes the shippers located at Marblehead should retain railroad service.

LEVEL 2 ANALYSIS AND RESULTS  
POTENTIALLY VIABLE LINES





LINE IDENTIFICATION

ICC Docket No.: AB-1(63)

Termini: Rockford-Winnebago

Company: Chicago and North Western Transportation Company (CNW)

LINE STATUS

Abandonment Filed December 6, 1977

LOCATION

Winnebago County, Illinois

LINE AND SERVICE

This line runs 6.9 miles in an east to west direction connecting Rockford and Winnebago. The frequency of service on this line is approximately 1 to 2 trains a week in each direction (75 trips during 48 weeks of service in 1975 and 57 trips during 31 weeks of service in 1976). Trains running on this line operate from Belvidere to Winnebago and back.

Stations on this line are at Winnebago and Rockford.

PRESENT CONDITION (Fed. Reg. iii)

The following information has been supplied by the Chicago and North Western Transportation Company.

The general physical condition of the line is poor. The maximum timetable speed is 10 m.p.h., and the maximum allowable gross weight of car and loading is 210,000 pounds. The rail is 97% rerolled 80 lb. (approximately equivalent to 72 lb. rail) laid in 1903 and 3% 72 lb. rolled and laid in 1903; all of this rail would be classified as scrap if removed. The ties on this line are generally in poor condition with approximately 6,100 cross ties being considered suitable for reuse elsewhere if removed. The ballast, originally cinders, is now dirt and sod in very poor condition. There are 9 public crossings on the line, all at grade. There are 11 bridges and 23 culverts on the line, all in generally good condition.

The Department has hired an independent consultant to inspect this line. From this inspection, the costs required to upgrade this branch to FRA-1 with 263,000 pound load capabilities are \$285,000. The annualized maintenance costs required to retain the FRA-1 class standards and the 263,000 pound load capabilities are \$37,700.

This track is predominantly (95%) 80-pound rail approximately 75 years old. The balance is 72-pound rail, 80 years old. There have been no major tie renewals in the past several years. The subgrade and ditches are in generally good condition, and the entire line is ballasted with cinders. The track generally meets FRA Class 1 requirements, but numerous FRA Class 1 defects were noted. Ballast is badly fouled with vegetation. There has been no recent traffic on this line.

PRESENT AND FUTURE SERVICE NEEDS (Fed. Reg. iv, ix)

The Department believes the shippers in Rockford will retain adequate rail connections with railroads providing service to this station. The shippers in Winnebago, however, will be forced to utilize trucks if the line is abandoned. Grain produced in this area will most likely be trucked to Illinois River terminals or to Chicago. Inbound fertilizer will probably be shipped by rail to Rockford before distribution. The fertilizer shipper in Winnebago indicated that this increased cost would put his firm in an uncompetitive position.

FREIGHT TRAFFIC (Fed. Reg. i)

1. Shipper Characteristics

Stations	No. of Shippers	Commodities
Winnebago	2	Fertilizer, Soybeans, Oats
Rockford	2	Petroleum Products, Fertilizer, Empty Containers Returned

2. Density (Million Gross Tons Miles per Mile; GTM/M) (Fed. Reg. i)

1977 - .23

3. Local-Traffic Originating On Branch, Destined On Branch

NONE REPORTED

4. Outbound-Traffic Originating On Branch, Destined Off Branch

Origin	Cars 1976	Ton 1976	Principal Commodities
Winnebago	6	355	Soybeans
	2	100	Fertilizer
	1	30	Oats
Rockford	5	48	Empty Containers Returned
Totals	14	533	

5. Inbound-Traffic Originating Off Branch, Destined On Branch

Destination	Cars 1976	Tons 1976	Principal Commodities
Winnebago	22	1482	Fertilizer
Rockford	15	365	Petroleum Products
	5	255	Fertilizer
Totals	42	2102	

6. Overhead-Traffic Originating and Destined Off Branch

NONE REPORTED

7. Total Line Traffic

Cars 1976	Tons 1976
56	2635



COST/REVENUE DATA (Fed. Reg. ii)

1976

1. <u>Revenue</u>	<u>\$ 16,215</u>
2. <u>Expenses</u>	
a. Total Expenses on Branch	\$ 11,245
b. Total Expenses beyond Branch	\$ 11,336
c. Total Property Taxes	<u>\$ 2,419</u>
Total Expenses	<u>\$ 25,000</u>
3. <u>Net Income or (Deficit) (1 minus 2)</u>	<u>\$ (8,785)</u>
4. <u>Net Salvage Value (Return @ 6%)</u>	<u>\$ 3,138</u>
5. <u>Cost to Upgrade/Maintain</u>	
a. Cost to Upgrade to FRA Class 1 (263,000 lb.) (Annualized over 10 years)	<u>\$ 28,500</u>
b. Increased Annual Cost to Maintain at FRA Class 1 (263,000 lb.)	<u>\$ 36,624</u>
6. <u>Estimated Annual Assistance Required</u> (Total of 3, 4, 5a & 5b) (Operating)	<u>\$ 77,047</u>

ALTERNATE MODES (Fed. Reg. vi)

The Department has no evidence available at this time that would indicate service on this line could be provided more efficiently by either another existing railroad or a new short-line operator. In addition, purchase of the line by the shippers or communities affected at the railroad's stated liquidation value, as well as its operation, would be prohibitive and very unlikely.

Winnebago: All commodities destined for this station will be trucked from Rockford. All grain products will be trucked from this station to Chicago.

Principal Commodity	Tons	Truck Cost Per Ton	Handling Cost Per Ton	Total Costs
Fertilizer	1,582	\$4.00	\$5.00	\$ 14,238
Soybeans	355	\$6.65	\$2.85	\$ 3,373
Oats	30	\$6.65	\$2.85	\$ 285
Station Total				= \$ 17,896

Rockford: All commodities will be handled by the remaining railroads with only handling cost being incurred by these shippers.

Principal Commodity	Tons	Truck Cost Per Ton	Handling Cost Per Ton	Total Costs
Petroleum Products	365	\$0.00	\$6.00	\$ 2,190
Fertilizer	255	\$0.00	\$5.00	\$ 1,275
Empty Containers Returned	48	\$0.00	\$6.00	\$ 288
Station Total				= \$ 3,753

IMPACT OF ABANDONMENT ON STATE'S TRANSPORTATION NEEDS (Fed. Reg. v)

If this line were abandoned there would be increased transportation costs to the shippers as well as a loss of competition to the trucking industry.

SUMMARY DATA

1. Increased Transportation Costs	\$ 21,649
2. Highway Improvement Costs	\$ 0
3. Potential Property Taxes Loss	\$ 2,419
Total	\$ 24,068
4. Assistance Required	\$ 77,047
5. Benefit/Cost (with Rehabilitation)	0.31
Increase or (Decrease) in Fuel Consumption (1273) gal./yr.	

PUBLIC INVOLVEMENT (Fed. Reg. 266.15(c)(6))

The Department has contacted four shippers on this line - one in Rockford and three in Winnebago. These shippers are:

D & J Feeds  
W. T. Berg Elevator  
McGee & Sons, INC.  
Winnebago Farm Service

One shipper, in Winnebago, indicated that the company would oppose the abandonment.

The Department will take no final position regarding the need for public investment in this line until local and regional governmental bodies, the railroads, railroad labor, rail users, and other interested parties have had the opportunity to comment on the data presented here and offer additional data. The Department will formulate its investment policy regarding this line after receipt of such input and further detailed analysis on a line-by-line basis.

## DISCUSSION

The Department believes the Winnebago-Rockford line is potentially viable. One of the shippers contacted in Winnebago indicated that while shipments of fertilizer to his company were less than 1,500 tons in 1976, annual shipments are normally around 3,000 tons. The disparity in shipping levels, according to the shipper, was due to unusual climatic conditions and their impact on farming, a season-oriented industry. In addition, the Department believes there is a potential for future economic development along this line.

The benefit/cost ratio calculated by the Department for this line is 0.31. Further, the line is not considered by the Department to be essential to system continuity, and an alternate mode, trucking, appears to be available for the Winnebago shippers. Shippers in Rockford can use both rail and truck for alternative service.

After preliminary analysis, the Department has placed this line in Category 4.



LINE IDENTIFICATION

ICC Docket Number: AB-3(16F)

Termini: Mt. Vernon

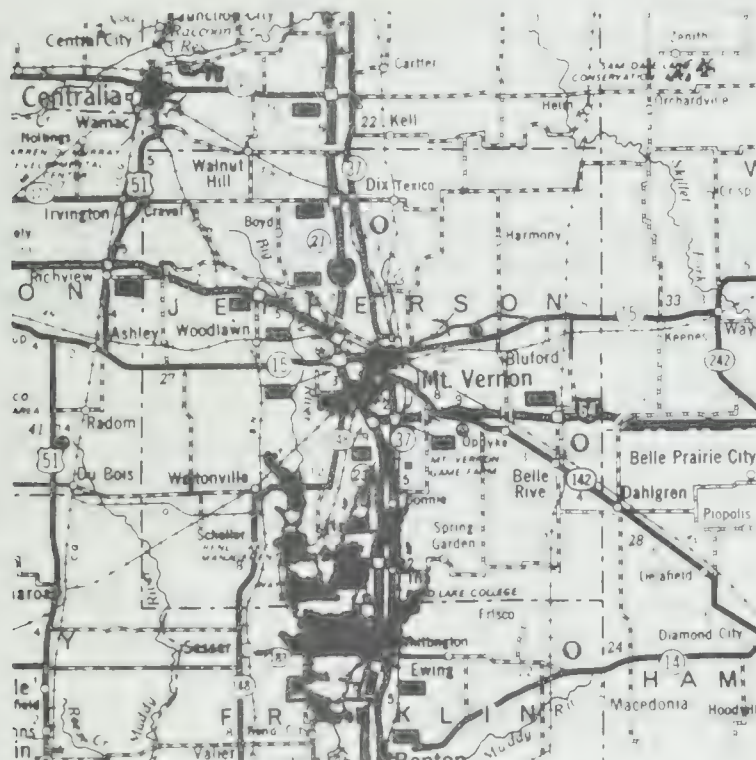
Company: Missouri Pacific Railroad Company (MoPac)

LINE STATUS

Abandonment filed March 3, 1978

LOCATION

Jefferson County, Illinois

LINE AND SERVICE

This track extends from a point within the City of Mt. Vernon to a point 3.6 miles southwest of the City. At this southwest point, a new switch connection was built to allow the Missouri Pacific to run into Mt. Vernon on another line which is 2/3 owned by the Missouri Pacific and 1/3 owned by the Illinois Central Gulf. This switch was built to improve operational freight movements to and within Mt. Vernon. Service is provided on an as needed basis by two locals.

Local 424 based in Chester serves this line on the average of one trip every two weeks, and Local 441 based in Mt. Vernon provides switching duties on an average of 1 time per month. No stations exist on this section. The business duties are handled by the agency station located in Mt. Vernon.

Thirteen culverts and twelve highway crossings exist but no bridges are located on this branch.

#### PRESENT CONDITION (Fed. Reg. iii)

The following information has been supplied by the Missouri Pacific Railroad.

This branch is presently at FRA 1 standards and in its present condition is capable of carrying 100-ton freight cars. In the near future 2.6 miles of 75 pound rail, 72 cars of ballast and 2,850 cross ties will need to be replaced to facilitate 100-ton carload shipments.

The Department has hired an independent consultant to inspect this line. From this inspection, the costs required to upgrade this branch to FRA-1 with 263,000 pound load capabilities are \$42,000. The annualized maintenance costs required to retain the FRA-1 class standards and the 263,000 pound load capabilities are \$20,100.

This track is entirely 75-pound rail approximately 75 years old. There have been no major tie renewals in the past ten years or more. Tie plates and anchors are generally in place. The subgrade and ditches are in generally good condition, and the entire line is ballasted with cinders. The track generally meets FRA Class 2 requirements. There has been only limited recent traffic on this line.

#### PRESENT AND FUTURE SERVICE NEEDS (Fed. Reg. iv, ix)

Two alternatives exist for the one shipper affected by this proposed abandonment. This shipper, Michel Fertilizer, is located .4 of a mile from the most northern point of the abandonment located within Mt. Vernon. Direct trucking shipments would be prohibitive since shipping costs from the northern and southern states are too high to be economically feasible. Michel Fertilizer's competition would be able to undersell, putting Michel's at a competitive disadvantage and most likely prohibiting future expansion.

Trucking from the nearest railhead is also prohibitive. If this process is used, costs would increase due to extra truck movement, extra handling, and commodity waste on each occasion a bulk commodity is transferred. Therefore, the only

alternatives for future service for Michel Fertilizer are either to relocate to another rail line where a siding is available to retain direct rail shipments or for the Missouri Pacific R.R. to shorten this abandonment application from a point just south of Michel's plant to the southwest point of the existing abandonment. This alternative would cut costs in all the categories of maintenance, rehabilitation, crew hours, and fuel use by a very large margin.

If this alternative can be consummated, Local 441 based in Mt. Vernon would be required to perform shipping duties thereby permitting the Missouri Pacific to realize these costs savings. This change in operations, from Local 424 to Local 441, would allow attributable fuel and crew costs to be cut, and coupled with the small burden of maintaining a .4 mile section should add the leverage necessary for this small section to become profitable.

FREIGHT TRAFFIC (Fed. Reg. i)

1. Shipper Characteristics

<u>Station</u>	<u>No. of Shippers</u>	<u>Commodities</u>
Mt. Vernon	5	Fertilizer Lumber, Potatoes, Wallboard, Anti-freeze

2. Density (Million Gross Ton Miles per Mile; GTM/M) (Fed. Reg.i)

1977 - 1.58

3. Local - Traffic Originating on Branch, Destined on Branch

NONE REPORTED

4. Outbound - Traffic Originating on Branch, Destined off Branch

NONE REPORTED

5. Inbound - Traffic Originating off Branch, Destined on Branch

<u>Destination</u>	<u>Cars 1976</u>	<u>Tons 1976</u>	<u>Principal Commodities</u>
Mt. Vernon	<u>29</u>	<u>2,750</u>	Fertilizer
Totals	<u>29</u>	<u>2,750</u>	



6. Overhead - Traffic Originating and Destined off Branch

NONE REPORTED

7. Total Line Traffic

Cars	Tons
<u>1976</u>	<u>1976</u>
<u>29</u>	<u>2,750</u>

COST/REVENUE DATA (Fed. Reg. ii)

1976

1. <u>Revenue</u>	<u>\$ 11,683</u>
2. <u>Expenses</u>	
a. Total Expenses on Branch	\$ 23,822
b. Total Expenses beyond Branch	\$ 4,972
c. Total Property Taxes	<u>\$ 16,022</u>
Total Expenses	<u>\$ 44,816</u>
3. <u>Net Income or (Deficit) (1 minus 2)</u>	<u>\$ 33,133</u>
4. <u>Return on Net Salvage Value (@ 6%)</u>	<u>\$ 9,791</u>
5. <u>Cost to Upgrade/Maintain</u>	
a. Cost to Upgrade to FRA Class 1 (263,000 lb.) (Annualized over 10 years)	<u>\$ 4,200</u>
b. Increased annual Cost to Maintain at FRA Class 1 (263,000 lb.)	<u>\$ 9,195 <sup>1/</sup></u>
6. <u>Estimated Assistance Required</u> (Total of 3, 4, 5a & 5b) (Operating)	<u>\$ 56,319</u>

1/ The 1976 maintenance costs provided by the railroad were not used due to the high costs involved in replacement of a crossing over the Louisville & Nashville Railroad (L&N). The projected subsidy year maintenance costs were used instead to reflect a more realistic analysis. According to the Missouri Pacific, 1976 maintenance costs were, "inordinately high because applicant had to replace the pipe connected derail interlocking over the L & N tracks in Mt. Vernon."

ALTERNATE MODES (Fed. Reg. vi)

Mt. Vernon: Other than the Missouri Pacific retaining service in this case, two alternatives exist in alternate modes for the rail users affected by this abandonment.

One alternative, as mentioned earlier in the analysis, is for the shippers to truck to the nearest railhead. By using this alternative one shipper will incur extra handling and shipping costs. The remainder of the shippers are at this time incurring these expenses since their shipments now include trucking costs to and from the railhead.

The second alternative is for another railroad to take over this branch or the .4 of a mile section as suggested earlier in the "Present and Future Service Needs." The Louisville & Nashville Railroad would be the logical selection to fulfill this alternative because it has the best access to this branch. No increase in transportation or handling costs would be incurred by the shippers and no highway improvement costs would be incurred by the various government agencies under this alternative.

Mt. Vernon: All traffic will be handled by the remaining railroads with an increase in handling and trucking costs.

Principal Commodity	Tons	Truck Cost per ton	Handling Costs per ton	Total Costs
Fertilizer	2,750	\$4.00	\$5.00	\$24,750

Station Total = \$24,750

Considering these alternatives open to Michel's plant, the present and future service needs of retaining rail service are imperative to operations and the financial stability of this business

IMPACT OF ABANDONMENT ON THE STATE'S TRANSPORTATION NEEDS (Fed. Reg. v)

All the shippers affected by this abandonment will retain rail service but this will involve trucking to and from the nearest team track. One shipper will realize increased costs due to these truck shipments. Since this one shipper is a fertilizer dealer, farmers will have increased costs in production of grain and these increased costs will eventually reach the consumer.

Abandonment of this branch will have a minimal affect on the transportation needs of the State's rail network. The elimination of the line would relieve congestion of highways and streets in Mt. Vernon due to trains blocking crossings.

# SUMMARY DATA

1. Increased Transportation Costs	\$24,750
2. Highway Improvement Costs	\$ 0
3. Potential Property Tax Loss	<u>\$16,022</u>
Total	<u>\$40,772</u>
4. Assistance Required	\$56,319
5. Benefit/Cost (with Rehabilitation)	0.72
6. Increase or (Decrease) in Fuel Consumption	(2450) gal/yr

## PUBLIC INVOLVEMENT (Fed. Reg. 266.15(c) (6) )

The Department has contacted the owner of the Michel Fertilizer Company.

The Department will take no final position regarding the need for public investment in this line until local and regional governmental bodies, the railroads, railroad labor, rail users, and other interested parties have had the opportunity to comment on the data presented here and offer additional data. The Department will formulate its investment policy regarding this line after receipt of such public input and further detailed analysis on a line-by-line basis.

## DISCUSSION

The initial contact with Michel Fertilizer revealed that an agreement between this company and the Missouri Pacific Railroad has been reached. This railroad will assist the company in relocating, and property located on another section of railroad line has been purchased by the fertilizer company. Since this one affected shipper has reached a satisfactory agreement with Mo Pac, there is a strong likelihood that this abandonment may be granted, unless additional information on present and future rail service needs is developed.

The benefit/cost ratio calculated for this line was 0.72.

After preliminary analysis, the Department has placed this branch in Category 5.



LINE IDENTIFICATION

ICC Docket No.: AB-6 (43) (Amended)

Termini: North Henderson - Alexis

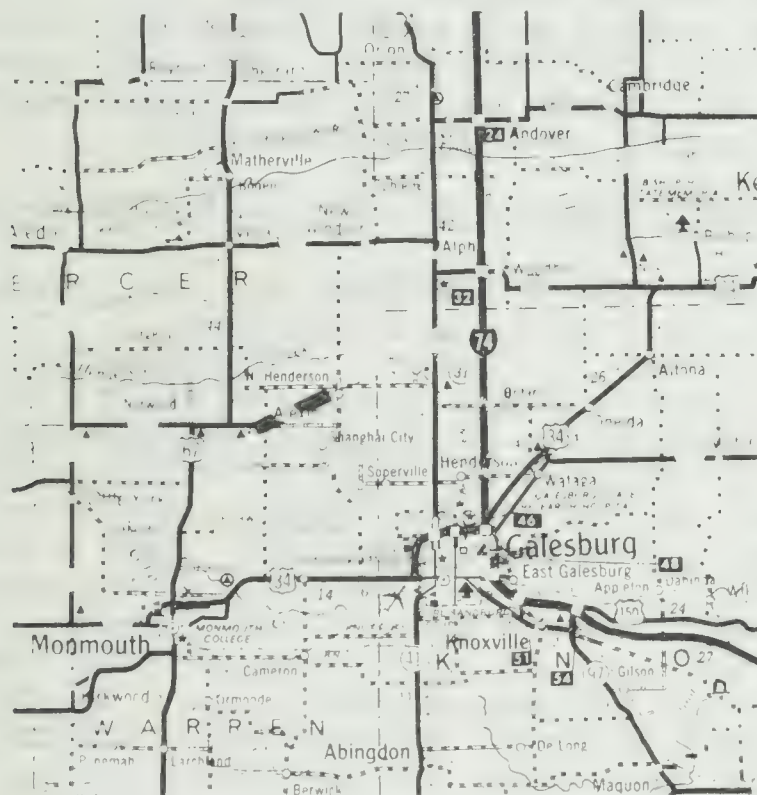
Company: Burlington Northern, Inc.

LINE STATUS

Abandonment granted September 22, 1977 and subsidy negotiations began November 10, 1977

LOCATION

Mercer and Warren Counties, Illinois

LINE AND SERVICE

This line runs in a southwesterly direction from North Henderson to Alexis, Illinois, a distance of 5.53 miles. A local freight train operating from Galesburg, Illinois, to Eric, Illinois, on the Galesburg-St. Paul mainline, makes a side trip on the Rio-Alexis spur on an as needed basis. This service is provided Monday, Wednesday, and Friday of each week.

No interchanges are located on this branch

PRESENT CONDITION (Fed. Reg. iii)

The following information has been supplied by Burlington Northern, Inc. and has not been verified by the Department.

This line is considered to be in poor condition. Rehabilitation is needed, involving replacement of cross-ties, switch-ties, and other track material. Ballast, ditching, and crossing replacement is needed throughout the line.

The Department has hired an independent consultant to inspect this line. From the inspection, the costs required to upgrade this branch to FRA-1 with 263,000 pound load capabilities are \$344,000. The annualized maintenance costs required to retain the FRA-1 class standards and the 263,000 pound load capabilities are \$27,000.

This track is entirely 65 and 70-pound rail approximately 80 years old. There have been no major tie renewals in the past several years. Tie plates are generally in place, but there are few anchors. The subgrade is in generally good condition, and the entire line is ballasted with cinders. The track generally meets FRA Class 2 requirements, but some Class 1 defects were noted. Some areas requiring ditch cleaning were noted.

PRESENT & FUTURE SERVICE NEEDS (Fed. Reg. iv, ix)

Through an inspection and interviews held with shippers on this line the following findings were established.

The largest potential shipper, located at Alexis, is the Stockyards Feed Store. The capacity of this plant has been expanded to facilitate the storage of over 1,000,000 bushels of grain. Two to three years ago this elevator shipped over 100 carloads annually. Recently, rail service has not been used. This is due to the poor track condition, combined with the box cars received for the shipment of commodities always being in need of repair, resulting in substantial spillage. The traffic manager stated that rail shipments, verses rail-barge shipments, would have netted his company 10¢ more per bushel in earnings. He also stated that during the last two winters rail service would have been very beneficial for this company simply because the rivers were frozen and large shipments were not possible by that mode. The estimates of shipments this company could make by rail are between 75 to 100 carloads annually if 100 ton hopper cars were furnished and if the trackage is repaired to handle these large cars.

FREIGHT TRAFFIC (Fed. Reg. i)

1. Shipper Characteristics

<u>Station</u>	<u>No. of Shippers</u>	<u>Commodities</u>
Alexis	6	Chemicals, Fertilizer, Corn and Lumber

2. Density (Million Gross Ton Miles per Mile; GTM/M) (Fed. Reg. i)

1976 - .02

3. Local-Traffic Originating on Branch, Destined on Branch

NONE REPORTED

4. Outbound-Traffic Originating on Branch, Destined off Branch

NONE REPORTED

5. Inbound-Traffic Originating off Branch, Destined on Branch

<u>Destination</u>	<u>Cars 1976</u>	<u>Tons 1976</u>	<u>Principal Commodities</u>
Alexis	7 <u>42</u>	350 <u>3,688</u>	Lumber Fertilizer
Totals	<u>49</u>	<u>4,038</u>	

6. Overhead-Traffic Originating and Destined off Branch

NONE REPORTED

7. Total Line Traffic

<u>Cars 1976</u>	<u>Tons 1976</u>
<u>49</u>	<u>4,038</u>

COST/REVENUE (Fed. Reg. ii)

1976

1. Revenue \$ 31,315

2. Expenses

a. Total Expenses on Branch \$ 11,894  
b. Total Expenses beyond Branch \$ 24,129  
c. Total Property Taxes \$ 4,697

\$ 40,720

3. Net Income or (Deficit) (1 minus 2) (\$ 9,405)

4. Net Salvage Value (Return @ 6%) \$ 831



5.	<u>Cost to Upgrade/Maintain</u>	
a.	Cost to Upgrade to FRA Class 1 (263,000 lb.) (Annualized over 10 years)	<u>\$34,400</u>
b.	Increased Annual Cost to Maintain at FRA Class 1 (263,000 lb.)	<u>\$23,301</u>
6.	<u>Estimated Annual Assistance Required</u> (Total of 3, 4, 5a & 5b) (Operating)	<u>\$67,937</u>

ALTERNATE MODES (Fed. Reg. vi)

The Department has no evidence available at this time that would indicate service on this line could be provided more efficiently by either another existing railroad or a new short-line operator. In addition, purchase of the line by the shippers or communities affected at the railroad's stated liquidation value, as well as its operation, would be prohibitive and very unlikely.

Alexis: All commodities trucked to and from Galesburg.

<u>Commodity</u>	<u>Tons</u>	<u>Truck Cost Per Ton</u>	<u>Handling Cost Per Ton</u>	<u>Total Costs</u>
Chemicals or fertilizer	3,688	\$5.00	\$5.00	\$36,880
Lumber	350	\$8.40	\$7.50	\$ 5,565
Station Total				= <u>\$42,445</u>
Highway Costs				= <u>\$120,750</u>
Total				= <u>\$163,195</u>

IMPACT OF ABANDONMENT ON THE STATE'S TRANSPORTATION NEEDS (Fed. Reg. v)

This line is a stub end branch line extending from the Burlington Northern line running north-south through Rio. Alexis will be without rail service after the abandonment.

If this line is abandoned, there will be increased transportation costs to the shippers as well as a loss of competition to the trucking industry.

### SUMMARY DATA

1. Increased Transportation Costs	\$ 42.445
2. Highway Improvement Costs	\$120,750
3. Potential Property Tax Loss	<u>\$ 4,697</u>
	<u>\$167,892</u>
4. Assistance Required	\$ 67,937
5. Benefit/Cost (With Rehabilitation)	2.47

### PUBLIC INVOLVEMENT (Fed. Reg. 266.15 (c) (6) )

The Department has contacted four shippers located at Alexis. These four shippers are:

Stockyards Feed Store  
M & W Agriculture  
Alexander Lumber  
Alexis Feed Mill

The Department will take no final position regarding the need for public investment in this line until local and regional governmental bodies, the railroads, railroad labor, rail users and other interested parties have had the opportunity to comment on the data. The Department will formulate its investment policy regarding this line after receipt of such public input and further detailed analysis on a line-by-line basis.

### DISCUSSION

Testimony, during the public involvement process incorporated in the 1977 Rail Plan Update, indicated service should be continued on this line.

This line would appear to become a viable private sector enterprise in the future, as the increased revenue needed for a profit return is not substantial. With incentive rates, more traffic would be generated on this line. Higher fuel costs and possible user charges on the waterways would also increase grain traffic.

The benefit/cost ratio calculated for this line was 2.47.

The Department believes this line is not essential to the continuity of the surrounding rail system, since it is a stub end branch line. However, it is also felt that alternate modes are not available to handle the traffic on this line. This is due to the poor road conditions and the significant amounts of lumber, fertilizer and grain traffic. These commodities are very price sensitive, and the shippers can not absorb the increased transportation costs of truck movements.

After preliminary analysis, the Department has placed this line in Category 2.





LINE IDENTIFICATION

ICC Docket Number: AB-7(51)

Termini: Kirkland-DeKalb

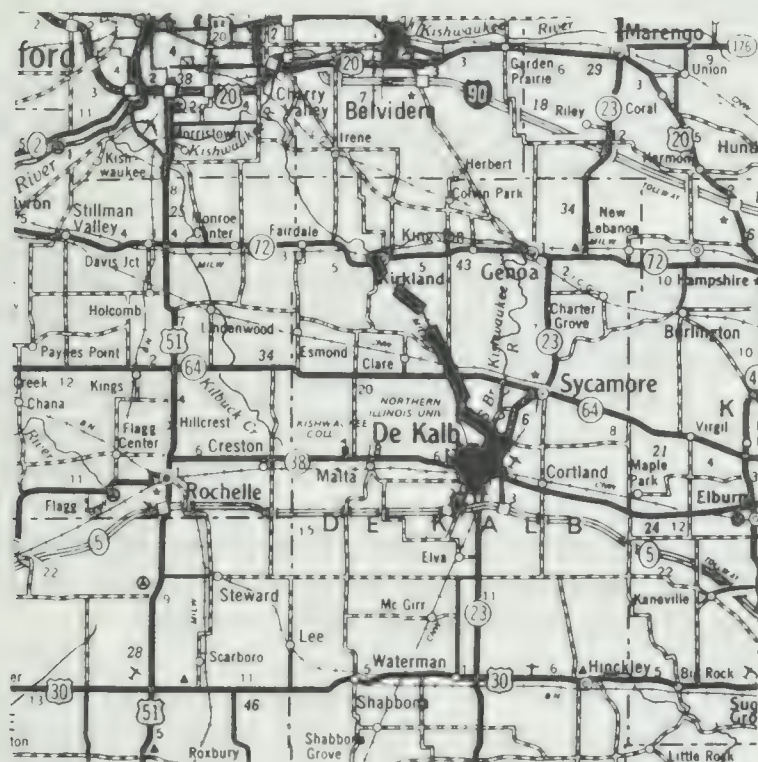
Company: Chicago, Milwaukee, St. Paul and Pacific Railroad  
(Milwaukee Road)

LINE STATUS

Abandonment filed January 20, 1978.

LOCATION

DeKalb County, Illinois

LINE AND SERVICE

This line, known as the Kirkland-DeKalb branch, extends in a southeasterly direction from Kirkland, at the most northern point, to DeKalb, at the most southern point. The existing rail is predominately 70 pounds, and a weight restriction of 210,000 pounds has been placed on this line due to this lightweight rail. Ninety and 112 pound rail exists only at each

of the two crossings of the Milwaukee Road and the Chicago North Western Railway (CNW), located at Wilkinson and DeKalb.

A local based in Bensenville has provided service on this 14.5 mile section two days per week prior to December 5, 1977, when an embargo was placed on the line due to a series of derailments. The station at Kirkland is now being served by the Milwaukee Road via its Omaha-Chicago mainline. The station at DeKalb is now being served by the Chicago and North Western via its Omaha-Chicago mainline. This arrangement was authorized by the Interstate Commerce Commission (Service Order No. 1288), and negotiations are currently underway for the Chicago and North Western to acquire trackage at DeKalb to facilitate service to shippers on a permanent basis.

No interchanges or shippers are located between the two termini points.

PRESENT CONDITION (Fed. Reg. iii)

The following information has been supplied by the Chicago, Milwaukee, St. Paul and Pacific Railroad.

The Kirkland-DeKalb branch is in poor condition and will require substantial rehabilitation costs to handle "modern-day traffic." Deferred maintenance costs of \$19,144 would be required to keep this line in operation for one year alone. Five of the six bridges will soon require maintenance work and 18,890 cross-ties would have to be replaced, along with all of the 70 pound rail, bolts, angle bars and ballast. Since the Milwaukee Road has applied for reorganization under Section 77 of the Bankruptcy Act, the firm is unable to supply the funds necessary for maintenance and rehabilitation required to continue service on this branch.

The Department has hired an independent consultant to inspect this line. From this inspection, the costs required to upgrade this branch to FRA-1 with 263,000 pound load capabilities are \$928,000. The annualized maintenance costs required to retain the FRA-1 class standards and the 263,000 pound load capabilities are \$61,300.

This track is entirely 70-pound rail approximately 70 years old. There have been no major tie renewals in the past 20 or more years. Tie plates are generally in place, but there are few anchors. The subgrade and ditches are in generally good condition, and the entire line is ballasted with cinders. The track generally meets FRA Class 1 requirements, but numerous FRA Class 1 defects were noted. There has been no recent traffic on this line.



PRESENT AND FUTURE SERVICE NEEDS (Fed. Reg. iv, ix)

If negotiations enabling the Chicago North Western to acquire the trackage at DeKalb can be finalized, no present or future service needs on this line exist to justify its retention.

These negotiations must be completed before May 31, 1978, since Emergency Service Order 1288 will expire on this date. The area between the two termini points is almost totally agricultural. Therefore, the most warranted alternative use of the right-of-way is to facilitate the use of farm machinery. However, not until the Public Review Process is completed will adequate information be obtained to predict present or future transportation needs.

The change in railroads should benefit rail users in DeKalb. A new direct market area will be open to shippers by the Chicago and North Western line to East St. Louis along with a viable line to Kansas City, Missouri. The Milwaukee Road line to Kansas City is in Category 1, and it is questionable that this bankrupt railroad can keep its line open. Shipments from Canada, the gulf, and west coast states will remain open to shippers in DeKalb via the Chicago and North Western.

It is essential to the businesses located in DeKalb to retain rail service. Through contacts with shippers on this line, the Department has learned that satisfactory service is provided by the Chicago and North Western.

FREIGHT TRAFFIC (Fed. Reg. i)

1. Shipper Characteristics

<u>Station</u>	<u>No. of Shippers</u>	<u>Commodities</u>
DeKalb	10	Scrap Metal, Canned Goods, Cotton, Linters, Lumber Newsprint, Feed, Propane, Scrap Paper
Wilkinson	0	

2. Density (Million Gross Tons Miles per Mile; GTM/M) (Fed. Reg. i)

1976-0.03

3. Local - Traffic Originating on Branch, Destined on Branch

NONE REPORTED



3. Outbound - Traffic Originating on Branch, Destined off Branch

Origin	Cars 1976	Tons 1976	Principal Commodities
DeKalb	50	2,720	Grain Mill Products
	2	91	Paper
	1	7	Cement, Sand, Ores or Minerals
	195	10,557	Waste or Scrap Materials
	<u>3</u>	<u>39</u>	Manufactured and Misc. Goods
Totals	<u>251</u>	<u>13,414</u>	

5. Inbound - Traffic Originating off Branch, Destined on Branch

Destination	Cars 1976	Tons 1976	Principal Commodities
DeKalb	59	2,163	Grain Mill Products
	6	174	Beverages and Malt
	63	2,894	Lumber and Plywood
	20	610	Wood and Millwork Products
	7	218	Pulp
	51	2,725	Paper
	1	52	Paperboard and Containers
	33	2,347	Petroleum and Coke
	6	192	Chemicals
	22	633	Waste or Scrap Materials
	6	433	Freight Forwarder Traffic
	<u>6</u>	<u>43</u>	Manufactured and Misc. Goods
Totals	<u>280</u>	<u>12,484</u>	

6. Overhead - Traffic Originating and Destined Off Branch

NONE REPORTED

7. Total Line Traffic

Cars 1976	Tons 1976
<u>531</u>	<u>25,898</u>

COST/REVENUE DATA (Fed. Reg. ii)

	<u>1976</u>
1. <u>Revenue</u>	<u>\$218,186</u>
2. <u>Expenses</u>	
a. Total Expenses on Branch	\$ 97,330
b. Total Expenses beyond Branch	\$ 97,972
c. Total Property Taxes	<u>\$ 17,006</u>
	<u>Total Expenses</u>
	<u>\$212,308</u>
3. <u>Net Income or (Deficit) (1 minus 2)</u>	<u>\$ 5,878</u>
4. <u>Return on Net Salvage Value (@ 6%)</u>	<u>\$ 7,086</u>
5. <u>Cost to Upgrade/Maintain</u>	
a. Cost to Upgrade to FRA Class 1 (263,000 lb.) (Annualized over 10 years)	<u>\$ 92,800</u>
b. Increased Annual Cost to Maintain at FRA Class 1 (263,000)	<u>\$ 37,710</u>
6. <u>Estimated Annual Assistance Required</u> <u>(Total of 3, 4, 5a &amp; 5b) (Operating)</u>	<u>\$131,718</u>

ALTERNATE MODES (Fed. Reg. vi)

The Department has no evidence available at this time that would indicate service on this line could be provided more efficiently by either another existing railroad or a new short-line operator. In addition, purchase of the line by the shippers or communities affected at the railroad's stated liquidation value, as well as its operation, would be prohibitive and very unlikely.

DeKalb: The Chicago and North Western Railway will take possession of all traffic. No increase in trucking costs or handling costs is foreseen.

Station Total = \$0.00  
Highway Costs = \$0.00

IMPACT OF ABANDONMENT ON THE STATE'S TRANSPORTATION NEEDS (Fed. Reg. v)

As stated earlier in the analysis, the Kirkland-DeKalb branch serves only two shipping points located at each end of the line. If the Milwaukee Road continues serving

Kirkland and if the ICC grants permission for the Chicago North Western to continue serving DeKalb, no impact on transportation needs is foreseen. If this abandonment is granted a fuel savings will result, and the elimination of 39 unprotected crossings will improve safety for the motoring public.

#### SUMMARY DATA

1. Increased Transportation Costs	\$	0
2. Highway Improvement Costs	\$	0
3. Potential Property Tax Loss	\$	<u>17,006</u>
Total	\$	<u>17,006</u>
4. Assistance Required	\$	131,718
5. Benefit/Cost (with Rehabilitation)		0.13
6. Increase or (Decrease) in Fuel Consumption		(5626) gal./yr.

#### PUBLIC INVOLVEMENT (Fed. Reg. 266.15(c) (6))

The Department has contacted 10 shippers located in DeKalb. These companies are:

DeKalb Feed, INC.  
DeKalb Forge, Co.  
Great Plains Gas  
DeKalb Iron & Metal, Co.  
Paper Salvage, Corp.  
Castle Communications, Inc.  
Wolahan Lumber, Co.  
General Electric, Co.  
Sealy Mattress Co.  
Del Monte, Inc.

The Department will take no final position regarding the need for public investment in this line until local and regional governmental bodies, the railroads, railroad labor, rail users, and other interested parties have had the opportunity to comment on the data presented here and offer additional data. The Department will formulate its investment policy regarding this line after receipt of such public input and further detailed analysis on a line-by-line basis.

#### DISCUSSION

The Department believes this branch is essential for system continuity, since it provides interchange operations between the Milwaukee Road and the Chicago North Western located in DeKalb. This interchange of traffic could add to the viability of the rail network as a whole.



The shippers contacted at DeKalb stated they are receiving 5-day service and are satisfied by the services provided by the Chicago North Western. Before this change in operations, these shippers were receiving service only two days per week.

It has been determined by the Department that businesses located in DeKalb must retain some form of rail service in order to sustain their economic viability. No alternate mode of transportation can supply these shippers with the required tonnages of commodities at transportation costs competitive with the railroads.

The Benefit/cost ratio calculated for this line was 0.13.

After preliminary analysis, the Department has placed the Kirkland-DeKalb branch in Category 4.



LINE IDENTIFICATION

ICC Docket No.: AB-7(52)F

Termini: Momence-Joliet

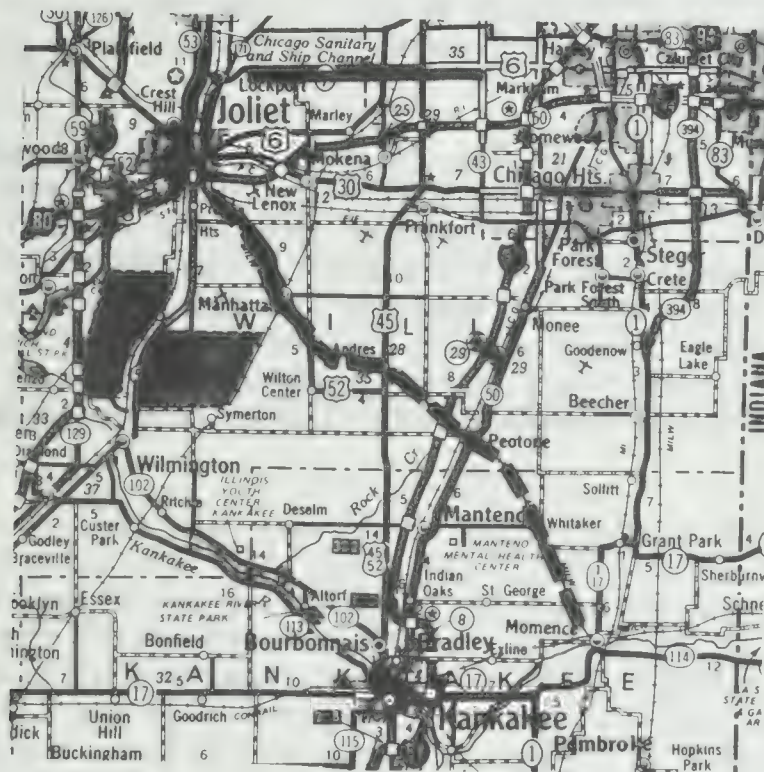
Company: Chicago, Milwaukee, St. Paul and Pacific Railroad  
(Milwaukee Road)

LINE STATUS

Abandonment filed March 22, 1978

LOCATION

Kankakee and Will Counties, Illinois

LINE AND SERVICE

This line runs 35.0 miles in a northwest to southeast direction connecting Joliet and Momence, Illinois. The frequency of service is one train once a week in each direction. Each Wednesday a train based in Faithorn, Illinois operates from Delmar to Joliet, passing through Momence. After completing this run, the train returns over the same route on Thursday.



Stations on this line are Joliet, Manhattan, Wilton Andres, Peotone, and Whitaker.

PRESENT CONDITION (Fed. Reg. iii)

The following information has been supplied by the Chicago, Milwaukee, St. Paul and Pacific Railroad.

The track is primarily 70-pound rail laid 73 years ago. The rail, bolts, and angle bars are worn, and 20% of the ties would have to be replaced within five years. Line and surface are poor, partly because the ballast (cinders and gravel) is fouled with dirt. There are 48 public crossings in poor to fair condition.

The Department has hired an independent consultant to inspect this line. From this inspection, the costs required to upgrade this branch to FRA-1 with 263,000 pound load capabilities are \$2,130,000. The annualized maintenance costs required to retain the FRA-1 class standards and the 263,000 pound load capabilities are \$179,500.

This track is predoninantly (95%) 70-pound rail, approximately 70 years old. The balance is 90-pound rail, 50 years old. There have been no major tie renewals in the past several years. Tie plates and anchors are generally in place. The subgrade and ditches are in generally good condition, and the entire line is ballasted with gravel. The track generally meets FRA Class 1 requirements, but a number of FRA Class 1 defects were noted.

PRESENT AND FUTURE SERVICE NEEDS (Fed. Reg. iv, ix)

The department believes the shippers at Joliet and Manhattan will retain adequate rail connections if the other railroads already serving these stations are willing to provide service. In addition, the railroad has indicated that a shipper in Wilton, Commonwealth Edison, has expressed interest in preserving rail service through installation of a connection to the Norfolk and Western in Manhattan. If not, the shippers at Joliet, Manhattan, and Wilton along with the shippers at Whitaker and Andres, will be forced to utilize trucks. This shift to trucks will have adverse impacts on the shipping rates of the former rail shippers and, due to the increased truck traffic, the physical conditions of local roads will also have adverse impacts.

In addition, retention of this line may be necessary for purposes of national defense. There is only one other railroad, the Elgin, Joliet and Eastern, which could provide direct service on the first leg of shipment from the Joliet Arsenal to the East Coast without entering the highly populated Chicago and Gary, Indiana, metropolitan areas. As of the preparation of this analysis, the Elgin, Joliet and Eastern does not provide service to the Joliet Arsenal.

FREIGHT TRAFFIC (Fed. Reg. i)

1. Shipper Characteristics

<u>Stations</u>	<u>No. of Shippers</u>	<u>Commodities</u>
Joliet	6	Manufactured Products, Steel, Steel Products, Lumber, Soda Ash, Ammunition
Manhattan	1	Propane
Wilton	1	Transformers
Andres	1	Fertilizer
Whitaker	1	Grain, Feed

2. Density (Million Gross Ton Miles per Mile; GTM/M) (Fed. Reg. i)

1976 - .10

3. Local-Traffic Originating on Branch, Destined on Branch

NONE REPORTED

4. Outbound-Traffic Originating on Branch, Destined off Branch

<u>Origin</u>	<u>Cars 1976</u>	<u>Tons 1976</u>	<u>Principal Commodities</u>
Whitaker	6	580	Grain and Soybeans
Manhattan	26	1,510	Ordinance
	4	100	Manufactured and Miscellaneous Products
Joliet	55	3,635	Cement, Sand, Ores and Minerals
	21	504	Wood and Millwork
	14	521	Manufactured and Miscellaneous Products
	1	41	Grain Mill Products
	1	36	Paperboard and Container
	1	15	Machinery
Totals	<u>129</u>	<u>6,942</u>	

5. Inbound-Traffic Originating off Branch, Destined on Branch

Destination	Cars 1976	Tons 1976	Principal Commodities
Whitaker	34	1,377	Grain Mill Products
	1	60	Chemicals
Andres	26	2,478	Chemicals
Manhattan	76	5,422	Petroleum and Coke
	9	590	Chemicals
	1	48	Machinery
Joliet	55	2,619	Waste and Scrap Materials
	27	825	Manufactured and Miscellaneous Products
	14	622	Beverages and Malt
	8	357	Wood and Millwork Products
	5	196	Lumber and Plywood
	4	120	Packing House Products
	3	296	Chemicals
	3	232	Cement, Sand, Ores and Minerals
	2	30	Automotive Parts
	1	35	Paper
	1	11	Machinery
Totals	<u>270</u>	<u>15,318</u>	

6. Overhead-Traffic Originating and Destined off Branch

NONE REPORTED

7. Total Line Traffic

Cars 1976	Tons 1976
<u>399</u>	<u>22,260</u>

COST/REVENUE (Fed. Reg. ii)

	<u>1976</u>
1. <u>Revenue</u>	<u>\$ 155,027</u>
2. <u>Expenses</u>	
a. Total Expenses on Branch	\$ 133,268
b. Total Expenses beyond Branch	\$ 80,762
c. Total Property Taxes	<u>\$ 24,169</u>
Total Expenses	<u>\$ 238,199</u>
3. <u>Net Income or (Deficit) (1 minus 2)</u>	<u>\$ (83,172)</u>
4. <u>Net Salvage Value (Return @ 6%)</u>	<u>\$ 45</u>



5. Cost to Upgrade/Maintain

- a. Cost to upgrade to FRA Class I  
(263,000 lb.)  
(Annualized over 10 years) \$ 213,000
- b. Increased annual Cost to Maintain at  
FRA Class I (263,000 lb.) \$ 132,615

- 6. Estimated Annual Assistance Required  
(Total of 3, 4, 5a & 5b) (Operating) \$ 428,832

ALTERNATE MODES (Fed. Reg. vi)

The Department has no evidence available at this time that would indicate service on this line could be provided more efficiently by either another existing railroad or a new short-line operator. In addition, purchase of the line by the shippers or communities affected at the railroad's liquidation value, as well as its operation, would be prohibitive and very unlikely.

Joliet: All commodities will be handled by the remaining railroads in Joliet. A handling cost will be incurred but there will be no increase in shipping cost.

Principal Commodity	Tons	Truck Cost Per Ton	Handling Cost Per Ton	Total Costs
Cement	3,867	\$0.00	\$6.00	\$23,202
Waste and Scrap Material	2,619	\$0.00	\$6.00	\$15,714
Manufactured Products	1,376	\$0.00	\$6.00	\$ 8,256
Wood Products	861	\$0.00	\$7.50	\$ 6,458
Beverages	622	\$0.00	\$6.00	\$ 3,732
Chemicals	296	\$0.00	\$5.00	\$ 1,480
Lumber	196	\$0.00	\$7.50	\$ 1,470
Packing House Products	120	\$0.00	\$6.00	\$ 720
Grain Mill Products	41	\$0.00	\$7.85	\$ 117
Paperboard	36	\$0.00	\$6.00	\$ 216
Paper	35	\$0.00	\$6.00	\$ 210
Automotive Parts	30	\$0.00	\$6.00	\$ 180
Machinery	26	\$0.00	\$6.00	\$ 156

Station Total = \$61,911

Manhattan: All commodities will be handled by the remaining railroads in Manhattan. A handling cost will be incurred but there will be no increase in shipping cost.

Manhattan: (Continued)

Principal Commodity	Tons	Truck Cost Per Ton	Handling Cost Per Ton	Total Costs
Petroleum	5,422	\$0.00	\$6.00	\$32,532
Ordnance	1,510	\$0.00	\$6.00	\$ 9,060
Chemicals	590	\$0.00	\$5.00	\$ 2,950
Manufactured Products	100	\$0.00	\$6.00	\$ 600
Machinery	48	\$0.00	\$6.00	\$ 288

Station Total = \$45,430

Andres: All commodities will be trucked to and from Kankakee.

Principal Commodity	Tons	Truck Cost Per Ton	Handling Cost Per Ton	Total Costs
Chemicals	2,478	\$4.40	\$5.00	\$23,293

Station Total = \$23,293

Whitaker: All commodities received at this station will be trucked from Momence. All grain products will be trucked from this station to Chicago.

Principal Commodity	Tons	Truck Cost Per Ton	Handling Cost Per Ton	Total Costs
Grain Mill Prod.	1,377	\$6.00	\$7.50	\$18,590
Grain	580	\$3.00	\$2.85	\$ 3,393
Chemicals	60	\$4.40	\$5.00	\$ 564

Station Total = \$22,547

IMPACT OF ABANDONMENT ON THE STATE'S TRANSPORTATION NEEDS (Fed. Reg. v)

Abandonment of this line would increase transportation costs to the shippers and result in loss of competition to the trucking industry. Andres and Whitaker would lose rail service totally.

SUMMARY DATA

1. Increased Transportation Costs	\$153,181
2. Highway Improvement Costs	\$ 0
3. Potential Property Tax Loss	\$ 24,169
Total	<u>\$177,350</u>
4. Assistance Required	\$428,832
5. Benefit/Cost (with Rehabilitation)	0.41
Increase or (Decrease) Fuel Consumption	(14,539) gal./yr.

PUBLIC INVOLVEMENT (Fed. Reg. 266.15(c) (6) )

The Department was able to contact 15 shippers on this line. Three of these shippers have expressed interest in purchasing parts of the line in order to retain rail service at their plants. The shippers contacted were:

Joliet Army Ammunition Plant  
Uniroyal, Inc.  
Whitaker Farmers Corp.  
Aeropress  
Commonwealth Edison  
Argo, Inc.  
GAF, Corp.  
Joliet Globe Building Materials  
Prairie State Paper Mill  
Penn-Dixie Steel, Corp.  
Gilbert Plastics, Inc.  
Stauffer Chemical, Co.  
Edmund A. Allen Lumber, Co.  
Andres & Wilton  
Tallmage Ranch, Inc.

The Department will take no final position regarding the need for public investment in this line until local and regional governmental bodies, the railroads, railroad labor, rail users, and other interested parties have had the opportunity to comment on the data presented here and offer additional data. The Department will formulate its investment policy regarding this line after receipt of such public input and further detailed analysis on a line-by-line basis.

DISCUSSION

The Department does believe this line is essential to the system due to the potential shipping needs of the Joliet Arsenal and the connection the line provides between the Chicago, Milwaukee, St. Paul and Pacific and other railroads. Further, shippers on this line, in particular Aeropress in Manhattan, Argo in Andres, and Commonwealth Edison in Wilton, have indicated that rail is the only reasonable mode for their shipping needs. This indicated to the Department that there is no alternate mode available to these shippers other than rail.

However, the Department has not found sufficient evidence to indicate the Joliet-Monmouth line will become viable in the future. Specifically, the benefit/cost ratio calculated for this line is only 0.41.

After preliminary analysis, the Department has placed this line in Category 3.





LINE IDENTIFICATION

ICC Docket No.: AB-43 (28)

Termini: Freeport, Ill. - Madison, Wis.

Company: Illinois Central Gulf Railroad

LINE STATUS

Abandonment Pending, Filed October 13, 1976

LOCATION

Stephenson County, Illinois; Green and Dane Counties, Wisconsin

LINE AND SERVICE

This line extends north from Freeport, Illinois to Madison, Wisconsin, a distance of 58.87 miles. The line is serviced from Freeport, Illinois 3 days per week.

No abandonment is proposed at Freeport. The Illinois stations on the line are Scioto Mills, Red Oak, Buena Vista, and Orangeville.

DENSITY (Million Gross Ton Miles per Mile; GTM/M)(Fed. Reg. i)

1975 - 0.14

PRESENT CONDITION (Fed. Reg. iii)

The following information has been supplied by the Illinois Central Gulf Railroad and has not been verified by the Department.

The present condition of the line is poor with extensive rehabilitation needed to handle 100 ton cars. Over 38 miles of track is 75 pound rail with 12 miles of 85 pound rail and 8 miles of 90 pound or heavier rail. In addition several segments of a 1,218 foot tunnel lining have collapsed and are in need of repair. Rehabilitation to FRA II would total \$1.4 million.

DISCUSSION

Only 14 miles of this line are located in Illinois. During 1977 there were no shipments to or from any station located in Illinois. As a result of the lack of shipment to or from stations in Illinois, an in depth economic analysis of this portion of the line cannot be accomplished. The result of this lack of local traffic would indicate that the Illinois portion is not viable. However, the Illinois portion is a segment of a line which handled approximately 1750 cars during 1977 and is vital in order to allow service to stations located in Wisconsin. If the Wisconsin portion of this line is viable then the Illinois segment provides a necessary link in this viability.

The Department has been in contact with Wisconsin DOT regarding this line. Wisconsin intervened in opposition to this abandonment in an Interstate Commerce Commission hearing held the week of May 15, 1978 in Wisconsin. They have indicated that there may not be many impacts if this line is lost. They also indicated that this line had a low benefit/cost ratio. However, they are examining the possible viability of retaining a segment from Monticello, Wisconsin to Madison, Wisconsin. Illinois will not take any position regarding this line without additional coordination with the state of Wisconsin.



LINE IDENTIFICATION

ICC Docket No.: AB-43(31)

Termini: Ashland-Mason City

Company: Illinois Central Gulf Railroad (ICG)

LINE STATUS

Abandonment Filed October 27, 1976. The Illinois Department of Transportation has intervened in opposition to this abandonment. This technical analysis is not intended to represent or reflect the position of the Department with respect to the abandonment preceeding before the Interstate Commerce Commission involving this line of railroad.

LOCATION

Mason, Cass, Sangamon and Menard Counties, Illinois

LINE AND SERVICE

This line runs in a northeasterly direction from Ashland to Mason City, Illinois, a distance of 26.5 miles. Service is conducted, as needed, from Ashland to Mason City by a local based in Roodhouse.

The stations on the line are Hill Top, Tallula, Petersburg, Curtis, and Greenview. Interchanges on the line are located

at Ashland, with the Baltimore and Ohio Railroad, and at Petersburg with the Chicago and Illinois Midland Railway.

PRESENT CONDITION (Fed. Reg. iii)

The Department conducted a survey on December 17 and 20, 1976, and found that the overall condition of the property appears sound and can be operated comfortably at 25 m.p.h. One bridge, located at Salt Creek between the stations of Mason City and Greenview, is in need of some rehabilitation to permit the use of 100 ton cars.

Information received at the Interstate Commerce Commission abandonment hearing, held in Petersburg, Illinois, confirmed these findings. This line is an FRA Class 2 line and has 100 ton car capabilities. The bridge located at Salt Creek has 100 ton car capabilities but is speed restricted to 5 miles per hour.

PRESENT & FUTURE SERVICE NEEDS (Fed. Reg. iv, ix)

Due to the continued importance of farming in the future, the Department believes that the future transportation needs in this area will require rail service. In particular, if user charges are placed on water carriers, as is likely, there would probably be increased use of this line. The only other rail service, that of the Chicago and Illinois Midland, is located at Petersburg. However, this latter railroad primarily hauls coal for a single shipper.

FREIGHT TRAFFIC (Fed. Reg. i)

1. Shipper Characteristics

Station	No. of Shippers	Commodities
Greenview	3	Soybeans, Feed, Fertilizer, Machinery
Curtis	1	Feed
Petersburg	2	Lumber, Fertilizer, Paper, Petroleum Products
Tallula	1	Fertilizer

2. Density (Million Gross Ton Miles per Mile; GTM/M) (Fed. Reg. i)

1977-.59

3. Local-Traffic Originating on Branch, Destined on Branch

NONE REPORTED

4. Outbound-Traffic Originating on Branch, Destined off Branch

Origin	Cars 1976	Tons 1976	Principal Commodities
Greenview	4	261	Soybeans
Petersburg	9	730	Lumber
	1	97	Chemicals
	1	25	Containers
TOTALS	<u>15</u>	<u>1,113</u>	

5. Inbound-Traffic Originating Off Branch, Destined on Branch

Destination	Cars 1976	Tons 1976	Principal Commodities
Greenview	27	870	Feed
	26	2,279	Chemicals
	6	67	Machinery
Curtis	1	50	Feed
Petersburg	78	7,300	Chemicals
	4	123	Lumber
	2	116	Feed
	2	52	Petroleum Products
	1	27	Paper
Tallula	<u>21</u>	<u>1,935</u>	Chemicals
TOTALS	<u>168</u>	<u>12,819</u>	

6. Overhead-Traffic Originating and Destined off Branch

NONE REPORTED

7. Total Line Traffic

Cars 1976	Tons 1976
<u>183</u>	<u>13,932</u>

COST/REVENUE DATA (Fed. Reg. ii)

	1976
1. <u>Revenue</u>	<u>\$ 49,912</u>



2. Expenses

a. Total Expenses on Branch	\$ 46,812
b. Total Expenses beyond Branch	34,709
c. Total Property Taxes	<u>18,784<sup>1/</sup></u>

Total Expenses \$100,305

3. Net Income or (Deficit) \$(50,393)

4. Net Salvage Value (Return @ 6%) \$ 21,457

5. Cost to Upgrade/Maintain

a. Cost to Upgrade to FRA Class 1 (263,000 lb.) (Annualized over 10 years)	\$ <u>02<sup>2/</sup></u>
b. Increased annual Cost to Main- tain at FRA Class 1 (263,000 lb.)	\$ <u>79,500<sup>3/</sup></u>

6. Estimated Annual Assistance Required \$151,350  
(Total of 3, 4, 5a & 5b) (Operating)

ALTERNATE MODES (Fed. Reg. vi)

The Department has no evidence available at this time that would indicate service on this line could be provided more efficiently by either another existing railroad or a new short-line operator. In addition, purchase of the line by the shippers or communities affected at the railroad's stated liquidation value, as well as its operation, would be prohibitive and very unlikely.

- 
- 1/ Prorated from property tax figures provided for original application, Mason City - Jacksonville.
- 2/ Information from the Interstate Commerce Commission hearing revealed that the line's current operating status is FRA Class 2. The railroad's projected rehabilitation expense for this line was \$1,340,720 or \$134,072 when annualized over 10 years.
- 3/ A \$3,000/mile figure was used to determine maintenance cost. The railroad's projected cost was \$115,688 per year.

Greenview: All commodities trucked to and from Mason City.

Commodity	Tons	Truck Cost Per Ton	Handling Cost Per Ton	Total Costs
Fertilizer	2,279	\$ 4.00	\$ 5.00	\$20,511
Feed	870	5.80	7.50	11,571
Soybeans	261	2.80	2.85	1,475
Machinery	67	10.60	6.00	1,112

STATION TOTAL = \$34,669

Curtis: All commodities trucked to and from Mason City.

Commodity	Tons	Truck Cost Per Ton	Handling Cost Per Ton	Total Costs
Feed	50	\$ 6.00	\$ 7.50	\$ 675

STATION TOTAL = \$ 675

Petersburg: All commodities trucked to and from Springfield.

Commodity	Tons	Truck Cost Per Ton	Handling Cost Per Ton	Total Costs
Fertilizer	7,397	\$ 4.40	\$ 5.00	\$69,532
Lumber	853	7.00	7.50	12,369
Feed	116	6.00	7.50	1,566
Petroleum Prod.	52	11.00	6.00	884
Paper	27	11.00	6.00	459
Containers	25	11.00	6.00	425

STATION TOTAL = \$85,235

Tallula: All commodities trucked to and from Springfield.

Commodity	Tons	Truck Cost Per Ton	Handling Cost Per Ton	Total Costs
Fertilizer	1,935	\$ 4.40	\$ 5.00	\$18,189

STATION TOTAL = \$18,189

IMPACT OF ABANDONMENT ON THE STATE'S TRANSPORTATION NEEDS (Fed. Reg. v)

If both this abandonment and the B&O abandonment for Coalshaft (Springfield)- Beardstown (FD#26745) were approved, this would leave a large area of rich Illinois farmland without rail service. A large fertilizer distributor is located at Virginia on the B&O line. There is a possibility that the ICG could

serve this facility via a section of the B&O line from Ashland to Virginia in the event the B&O abandonment is granted. If the shipper in Virginia is added to this line, the increased traffic could make the Ashland-Mason City line profitable. Otherwise, abandonment of this line would increase transportation costs to the shippers as well as cause a loss of competition to the trucking industry. Under present conditions the abandonment would also result in a decrease in fuel consumption.

#### SUMMARY DATA

1. Increased Transportation Costs	\$ 138,768
2. Highway Improvement Costs	\$ 0
3. Potential Property Tax Loss	<u>\$ 18,784</u>
Total	<u>\$ 157,552</u>
4. Assistance Required	\$ 151,350 <sup>4/</sup>
5. Benefit/Cost (with Rehabilitation)	1.04
Increase or (Decrease) in Fuel Consumption	(4,307) gal./yr.

#### PUBLIC INVOLVEMENT (Fed. Reg. 266.15(c) (6) )

The Department was able to contact seven shippers on the line. Two of these shippers, Menard Service in Petersburg and Vistron in Greenvew, are opposing the abandonment. In addition, the Department was also able to contact one shipper in Ashland, Brant's Fertilizer Service, who is not located on the line but is affected by the abandonment. This shipper believes that elimination of the line will reduce service to his company and is, therefore, opposing the proposed abandonment.

The Department will take no final position regarding the need for public investment in this line until local and regional governmental bodies, the railroads, railroad labor, rail users, and other interested parties have had the opportunity to comment on the data presented here and offer additional data. The Department will formulate its investment policy regarding this line after receipt of such public input and further detailed analysis on a line-by-line basis.

#### DISCUSSION

The Department considers the Ashland-Mason City line a potentially viable railroad segment which is essential both to the system and the shippers it serves. The Department believes that the shipping needs of this rich farming region of the State will increase future traffic on the line beyond that of the existing 13,000 tons per year.

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<sup>4/</sup> The Department believes that with a small increase in traffic, incentive rates, and proper management procedures, this assistance should not be required.



In addition, as an integral part of the longer Bloomington-Jacksonville line of the Illinois Central Gulf, attributable overhead traffic could add to the Ashland-Mason City segment's viability. The importance of the line is further magnified due to the inadequacy of truck service as an alternate mode. Testimony at the abandonment hearings indicated that there were simply no trailers in the area, of the type necessary, to handle the commodities now being shipped by the railroads.

The benefit/cost ratio calculated for this line is 1.04.

After preliminary analysis, the Department has placed this line in Category 1.



LINE IDENTIFICATION

ICC Docket Number: AB-43(43)

Termini: Barnes-Herscher

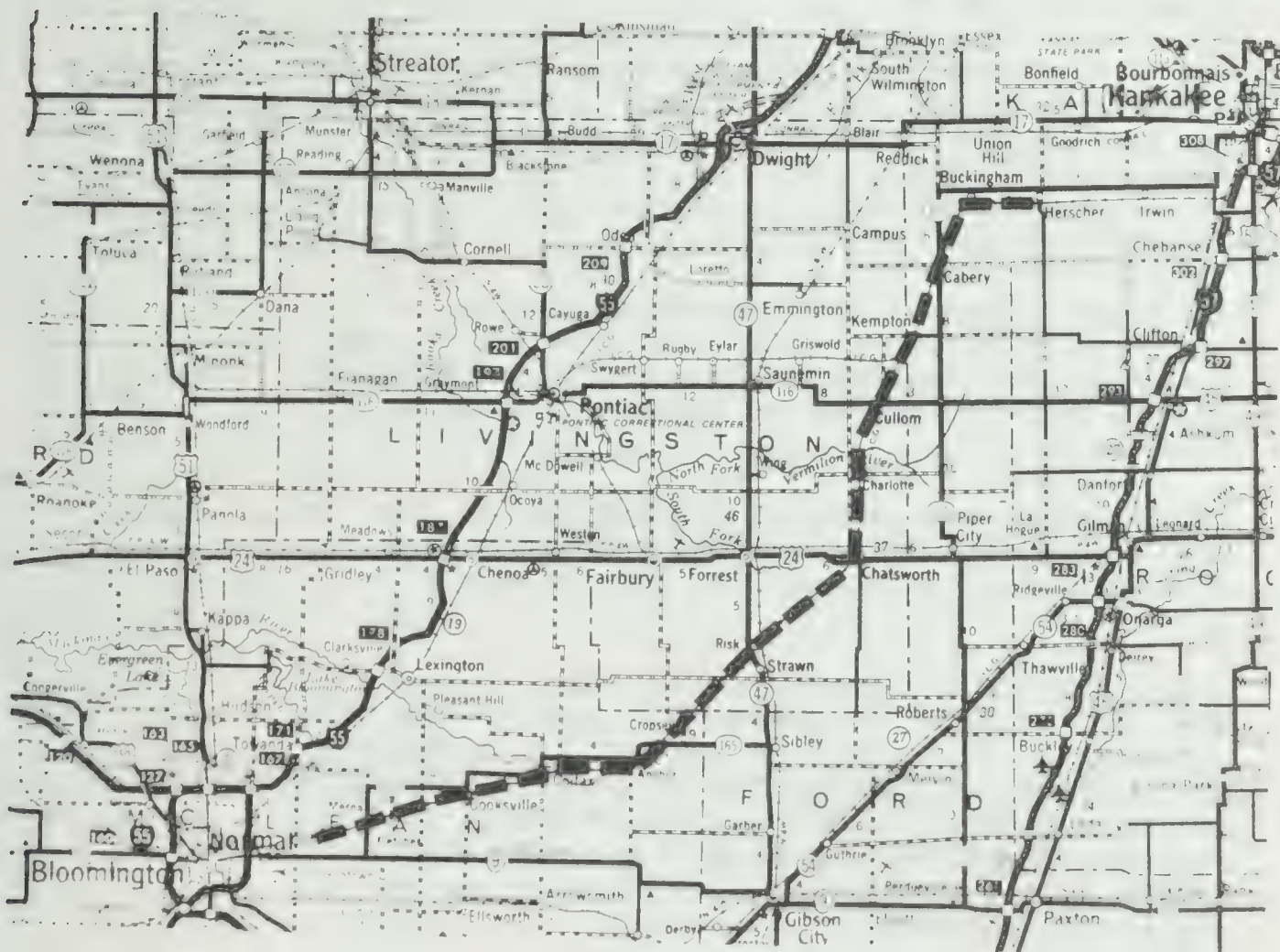
Company: Illinois Central Gulf Railroad Co. (ICG)

LINE STATUS

Abandonment filed November 8, 1977. The Illinois Department of Transportation has intervened in opposition to this abandonment. This technical analysis is not intended to represent or reflect the position of the Department with respect to the abandonment preceeding before the Interstate Commerce Commission involving this line of railroad.

LOCATION

Kankakee, Ford, Livingston, and McLean Counties, Illinois





## LINE AND SERVICE

This branchline extends in a southwesterly direction between Herscher and Barnes for a total distance of 63.0 miles. The track is primarily constructed of 75 and 85 pound rail.

Existing on the line are 13.27 miles of 75 lb. rail, 48.72 miles of 85 lb. rail, and the remaining mileage consists of 90, 110, 112, and 115 lb. rail. Also included in this abandonment is 6.36 miles of side tracks. The branch, which is a part of the Illinois Central Gulf Bloomington District, is operated 4 days per week by a 4 man crew. A speed restriction of 10 miles per hour and a weight restriction of 210,000 lbs. has been placed on this section by the Illinois Central Gulf on March 2, 1977.

In 1976, 254 trains were operated and a total of 126,971 tons originated or terminated on this branch.

Stations to be abandoned are: Appel Siding, Buckingham, Cabery, Kempton, Saxony, Cullom, Charlotte, Chatsworth, Cereal, Risk, Cropsey, Anchor, Colfax, Cooksville, Fletcher, and Merna.

The only interchange on this section is located at Saxony with another Illinois Central Gulf line which has been granted to be abandoned by the Interstate Commerce Commission.

## PRESENT CONDITION (Fed. Reg. iii)

The Illinois Central Gulf contends the section to be abandoned is in poor physical condition, and the rehabilitation costs required to keep the line in operation are not justified due to the amount of traffic on the line.

The Department has conducted an inspection of this line and has been in contact with the "Bloomer Shippers Association" which composes most of the users of this branch.

Findings from the inspection reveal that 20 percent of the rail should be replaced within a year or two, if 100-ton cars are handled. If properly maintained and periodically supplemented, the composition of the ballast presently in the track is sufficient to economically handle five to ten times the present traffic levels along this line at 25 miles per hour. The present condition of the ties are in a relatively stable cyclical condition.

PRESENT AND FUTURE SERVICE NEEDS (Fed. Reg. iv, ix)

This abandonment will have a substantial impact on the surrounding communities, in view of the fact that the Illinois Central Gulf has been initially granted an abandonment on its line from Flanagan to Minonk (AB-43(21)), and has been granted abandonment on its line from Pontiac to Saxony (AB-43(20)). In addition, there is a pending abandonment of the Norfolk and Western Railway line from Streator to Fairbury (AB-10(6)).

The Department believes this line is profitable. This line runs through some of the most productive farm land in Illinois, in fact, McLean and Livingston Counties are among the leading producers of corn and soybeans in the world. In a five mile area either side of this line, farmers have sold approximately 812,000 tons of grain in 1976. The present and future service needs of this line are explained in Dr. Walter J. Wills<sup>1/</sup> testimony, received in the Interstate Commerce Commission hearing:

"Rail transportation is an essential part of the agricultural distribution system. Rail cars can move the volume of grain and fertilizer necessary to free up premium storage space during and after the harvest season. There is often a price advantage to the country elevator operator of five cents per bushel or more by shipping by rail as opposed to truck. If the elevator operators are unable to continue to take advantage of that price benefit, the farmers would receive correspondingly less for grain sold to the elevator operators.

University of Illinois data for 1976 indicate the following:

	<u>Corn</u>	<u>Soybeans</u>
Cost of Production per bushel	\$2.01	\$5.50
Price received by farmer per bushel	\$2.55	\$5.55

A reduction of five cents per bushel in the price received by farmers for their grain would result in no net return for growing soybeans and reduced net return for growing corn of 12 percent.

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<sup>1/</sup> Dr. Walter J. Wills - Professor - Agricultural Industries Department, Southern Illinois University, Carbondale, Illinois.

The cost-price squeeze in raising grain is already manifesting itself in the 'farmer's strike' and demonstrations being held throughout the country. Further aggravation of that cost-price squeeze as a result of reduced prices due to loss of rail service would adversely affect the economy in rural areas."

FREIGHT TRAFFIC (Fed. Reg. i)

1. Shipper Characteristics

Station	No. of Shippers	Commodities
Buckingham	2	Farm Products, Chemicals, Hazardous Materials
Cabery	2	Farm Products, Chemicals, Hazardous Materials
Kempton	1	Farm Products
Cullom	1	Farm Products, Chemicals, Lumber Products
Charlotte	1	Farm Products, Food or Kindred Products, Chemicals
Chatsworth	1	Farm Products, Chemicals
Risk	1	Farm Products, Chemicals, Hazardous Materials
Cropsey	2	Farm Products, Chemicals,
Colfax	5	Chemicals, Farm Products, Small Packages, Lumber-Lumber Products, Food or Kindred Products
Cooksville	1	Chemicals
Fletcher	1	Misc. Mixed Shipments
Merna	2	Chemicals, Hazardous Materials
Anchor	2	Farm Products, Chemicals, Hazardous Materials, Small Packages

2. Density (Million Gross Ton Miles per Mile; GTM/M)  
(Fed. Reg i)

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3. Local-Traffic Originating on Branch, Destined On Branch

NONE REPORTED



4. Outbound-Traffic Originating on Branch, Destined Off Branch

Origin	Cars	Tons	Principal Commodities
	7/1/76-6/30/77	7/1/76-6/30/77	
Anchor	130	11,472	Farm Products
Buckingham	89	2,426	Farm Products
Cabery	4	397	Farm Products
Charlotte	10	992	Farm Products
Chatsworth	11	1,182	Farm Products
Colfax	13	1,151	Chemicals
	67	5,895	Farm Products
	4	142	Small Packages
Cropsey	299	29,381	Farm Products
Cullom	28	2,661	Farm Products
		95	Chemicals
Fletcher	1	10	Misc. Mixed Shipments
Kempton	31	3,130	Farm Products
Risk	164	4,821	Farm Products
Totals	853	63,873	

5. Inbound-Traffic Originating Off Branch, Destined On Branch

Destination	Cars	Tons	Principal Commodities
	7/1/76-6/30/77	7/1/76-6/30/77	
Anchor	22	2,090	Chemicals
	1	70	Hazardous Materials
	2	194	Small Packages
Buckingham	12	1,736	Chemicals
	1	72	Hazardous Materials
Cabery	21	1,900	Chemicals
	8	331	Hazardous Materials
Charlotte	1	100	Food or Kindred Products
	19	1,659	Chemicals
Chatsworth	17	1,115	Chemicals
Colfax	9	423	Lumber-Lumber Products
	281	26,241	Chemicals
	7	122	Food or Kindred Products
Cooksville	7	121	Chemicals
Cropsey	9	261	Chemicals
Cullom	1	36	Lumber-Lumber Products
	10	780	Chemicals

5. Inbound-Traffic (continued)

Destination	Cars 7/1/76-6/30/77	Tons 7/1/76-6/30/77	Principal Commodities
Merna	14 7	1,336 252	Chemicals Hazardous Materials
Risk	18 4	1,672 103	Chemicals Hazardous Materials
Totals	<u>477</u>	<u>41,684</u>	

6. Overhead-Traffic Originating and Destined Off-Branch

NONE REPORTED

7. Total Line Traffic

Cars 7/1/76-6/30/77	Tons 7/1/76-6/30/77
<u>1,330</u>	<u>105,557</u>

COST/REVENUE DATA (Fed. Reg. ii)

1976

1. <u>Revenue</u>	<u>\$705,591</u>
2. <u>Expenses</u>	
a. Total Expenses on Branch	\$277,477
b. Total Expenses beyond Branch	528,084
c. Total Property Taxes	<u>29,083</u>
Total Expenses	<u>\$834,644</u>
3. <u>Net Income or (Deficit) (1 minus 2)</u>	<u>\$(129,053)</u>
4. <u>Net Salvage Value (Return @ 6%)</u>	<u>\$ 25,068</u>

5. Cost to Upgrade/Maintain

a. Cost to Upgrade to FRA Class 1 (263,000 lb.) (Annualized over 10 years)	<u>\$310,000<sup>2/</sup></u>
b. Increased annual cost to maintain at FRA Class 1 (263,000 lb.)	<u>\$ 69,387</u>
6. Estimated Annual Assistance Required (Total of 3, 4, 5a & 5b) (Operating)	<u>\$533,508</u>

ALTERNATE MODES (Fed. Reg. vi)

The Department has no evidence available at this time that would indicate service on this line could be provided more efficiently by either another existing railroad or a new short-line operator. In addition, purchase of the line by the shippers or communities affected at the railroad's stated liquidation value, as well as its operation, would be economically prohibitive and very unlikely.

Anchor: All farm products will be trucked to Peoria Inbound shipments will be received at Bloomington and trucked to Anchor.

Principal Commodity	Tons	Truck Cost per ton	Handling Costs per ton	Total Costs
Farm Products	11,472	\$ 5.25	\$2.85	\$ 92,923
Chemicals	2,090	2.00	5.00	20,900
Small Packages	194	12.80	6.00	3,647
Hazardous Mat.	70	12.80	6.00	1,316
STATION TOTAL			=	\$118,786

Buckingham: All farm products will be trucked to Chicago. In-bound shipments will be received at Kankakee and trucked to Buckingham.

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<sup>2/</sup> This annualized cost includes the Illinois Central Gulf bridge rehabilitation estimate. This estimate has not been verified by the Department.



Principal Commodities	Tons	Truck Costs per ton	Handling Costs per ton	Total Costs
Farm Products	2,426	\$5.60	\$2.85	\$20,500
Chemicals	1,736	5.00	5.00	17,360
Hazardous Mat.	78	12.80	6.00	1,466
STATION TOTAL				= \$39,326

Cabery: All farm products will be trucked to Chicago. Inbound shipments will be received at Kankakee and trucked to Cabery.

Principal Commodities	Tons	Truck Costs per ton	Handling Costs per ton	Total Costs
Farm Products	397	\$5.60	\$2.85	\$3,355
Chemicals	1,988	5.40	5.00	20,675
Hazardous Mat.	331	12.80	6.00	6,223
STATION TOTAL				= \$30,253

Charlotte: All farm products will be trucked to Joliet. Inbound shipments will be received at Kankakee and trucked to Charlotte.

Principal Commodities	Tons	Truck Costs per ton	Handling Costs per ton	Total Costs
Farm Products	988	\$4.90	\$2.85	\$7,735
Food-Kindred Products	100	13.60	6.00	1,960
Chemicals	1,659	5.80	5.00	17,917
STATION TOTAL				= \$27,612

Chatsworth: All farm products will be trucked to Peoria. Inbound shipments will have an increased handling charge, assuming the remaining railroad will handle these shipments.

Principal Commodities	Tons	Truck Costs per ton	Handling Costs per ton	Total Costs
Farm Products	1,188	\$7.00	\$2.85	\$11,702
Chemicals	1,115	0.00	5.00	5,575
STATION TOTAL				= \$17,277

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Colfax: All farm products will be trucked to Peoria. All other commodities will be trucked to and from Bloomington

Principal Commodities	Tons	Truck Costs per ton	Handling Costs per ton	Total Costs
Farm Products	5,895	\$5.60	\$2.85	\$ 49,813
Chemicals	27,392	5.00	5.00	273,920
Small Packages	142	12.80	6.00	2,670
Lumber	423	8.40	7.50	6,726
Food-Kindred Products	188	12.80	6.00	3,534
STATION TOTAL				= \$336,663

Cooksville: All commodities will be received at Bloomington and trucked to Cooksville.

Principal Commodities	Tons	Truck Costs per ton	Handling Costs per ton	Total Costs
Chemicals	428	\$4.40	\$5.00	\$ 4,023
STATION TOTAL				= \$ 4,023

Cropsey: All farm products will be trucked to Peoria. Inbound shipments will be received at Bloomington and trucked to Cropsey.

Principal Commodities	Tons	Truck Costs per ton	Handling Costs per ton	Total Costs
Farm Products	29,381	\$5.25	\$2.85	\$237,986
Chemicals	861	5.40	5.00	8,954
STATION TOTAL				= \$246,940

Cullom: All farm products will be trucked to Joliet. Inbound shipments will be received at Kankakee and trucked to Cullom.

Principal Commodities	Tons	Truck Costs per ton	Handling Costs per ton	Total Costs
Farm Products	2,661	\$4.90	\$2.85	\$ 20,623
Chemicals	877	5.80	5.00	9,472
Lumber	36	9.80	7.50	623
STATION TOTAL				= \$ 30,718

Fletcher: All commodities will be received at Bloomington and trucked to Fletcher.

Principal Commodities	Tons	Truck Costs per ton	Handling Costs per ton	Total Costs
Mixed Shipments	18	\$11.00	\$6.00	\$ 306
STATION TOTAL				= \$ 306

Kempton: All farm products will be trucked to Chicago.

Principal Commodities	Tons	Truck Costs per ton	Handling Costs per ton	Total Costs
Farm Products	3,130	\$5.60	\$2.85	\$ 26,449
STATION TOTAL				= \$ 26,449

Merna: All commodities will be received at Bloomington and trucked to Merna.

Principal Commodities	Tons	Truck Costs per ton	Handling Costs per ton	Total Costs
Chemicals	1,337	\$ 4.40	\$5.00	\$ 12,568
Hazardous Mat.	252	11.00	6.00	4,284
STATION TOTAL				= \$ 16,852

Risk: All farm products will be trucked to Peoria. All other commodities will be trucked to Bloomington. Inbound shipments will be received at Bloomington and trucked to Risk.

Principal Commodities	Tons	Truck Costs per ton	Handling Costs per ton	Total Costs
Farm Products	4,821	\$ 5.60	\$2.85	\$ 40,737
Chemicals	1,770	5.80	5.00	19,116
Hazardous Mat.	103	13.60	6.00	2,019
STATION TOTAL				= \$ 61,872



IMPACT OF ABANDONMENT ON THE STATE'S TRANSPORTATION NEEDS  
(Fed. Reg. v)

If this line is granted to be abandoned, a very substantial increase in transportation costs to the shippers will result, as well as loss of competition to the trucking industry. A very substantial increase in fuel consumption will also occur.

The impact of this abandonment on the public highways will result in a burden to all citizens of the State of Illinois. Rehabilitation of the highways and bridges will be necessary to withstand the added traffic that will be placed on them if this abandonment is granted. At this present time these highways are overburdened with the amount of tonnages being carried because of the high production of farm products and the necessary fertilizers to support this production.

The Department is convinced this branch is essential to the surrounding communities and a vital link in the State's transportation system.

SUMMARY DATA

1. Increased Transportation Costs	\$ 957,077
2. Highway Improvement Costs	409,457
3. Potential Property Tax Loss	<u>29,083</u>
TOTAL	<u>\$1,395,617</u>
4. Assistance Required	\$ 533,508 <sup>3/</sup>
5. Benefit/Cost (with rehabilitation)	2.62
Increase or (decrease) fuel consumption	80,954 gal./yr.

PUBLIC INVOLVEMENT (Fed. Reg. 266.15(c) (6))

The Department was able to contact and work with the Bloomer Shippers Association which is opposing this abandonment. Members include:

Alexander Lumber Company	Colfax, Ill.
Anchor Grain Company	Anchor, Ill.
American Maize Products Company	Hammond, Ind.
BAW Industries	Buckingham, Ill.

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<sup>3/</sup> The Department believes that with a small increase in traffic, incentive rates, and proper management procedures, this assistance should not be required.

Cabery Farmers Grain Company	Cabery, Ill.
Cabery Fertilizer Company	Cabery, Ill.
Colfax Farmers Grain, Inc.	Colfax, Ill.
Colfax Storage Company	Colfax, Ill.
Cooksville Grain Company	Cooksville, Ill.
Cullom Cooperative Grain Company	Cullom, Ill.
Diller Tile Company, Inc.	Chatsworth, Ill.
Edwards Soil Service, Inc.	Cropsey, Ill.
Farmers Grain Company of Charlotte	Charlotte, Ill.
Fletcher Grain Company	Fletcher, Ill.
FS Services, Inc.	Bloomington, Ill.
Herscher Grain Company	Herscher Ill.
Kankakee Service Company	Buckingham, Ill.
Kempton Coop Grain Company	Kempton, Ill.
Lanz Bros. Cob Company	Risk, Ill.
McLean County Service Company	Anchor, Ill.
Meiners Farm Service, Inc.	Colfax, Ill.
Merna Grain Company	Merna, Ill.
Potash Company of Saskatchewan	Canada

The Department will take no final position regarding the need for public investment in this line until local and regional governmental bodies, the railroads, railroad labor, rail users, and other interested parties have had the opportunity to comment on the data presented here and offer additional data. The Department will formulate its investment policy regarding this line after receipt of such public input and further detailed analysis on a line-by-line basis.

## DISCUSSION

An abandonment hearing, conducted by the Interstate Commerce Commission, has been held concerning this line. This hearing, held in Bloomington, Illinois, was not completed in the three days allocated and will be continued on June 26, 1978. The Department contends that this line is viable and essential to the State's transportation needs and its users.

The existing highways and bridges in the affected area are not capable of withstanding the tonnages they will be required to bear if this line is taken out of the system. A substantial amount of increased fuel consumption will also occur if the transportation mode switches to highways. Therefore, the Department contends no alternate modes exist, other than rail movements, for the users in this area.

If this abandonment is allowed, farmers, businesses, and consumers would suffer severe economic impacts. Not only will the loss of rail service cause farmers to receive less for

their grain, but the cost of transportation for inputs, such as fertilizer, will also increase. The average increase in shipping costs to the shippers which will be incurred if this line is abandoned is nine dollars per ton. It is the Department's belief this increase in costs will have severe impacts on the farming industry in this area.

The farmers and consumers will have to bear the burden of this abandonment. The farmers will receive lower prices for their grain and at the same time will be required to pay more for fertilizer. At a time when the overall cost of farm production is rising, the addition of higher transportation costs will only result in higher losses to farmers and higher costs to consumers.

The benefit/cost ratio calculated for this branch line is 2.62.

After preliminary analysis the Department has placed this line in category 1.











# ILLINOIS 77-78 HIGHWAY MAP



*Saluting a century and a half of travel and commerce  
on Illinois' river highways.*





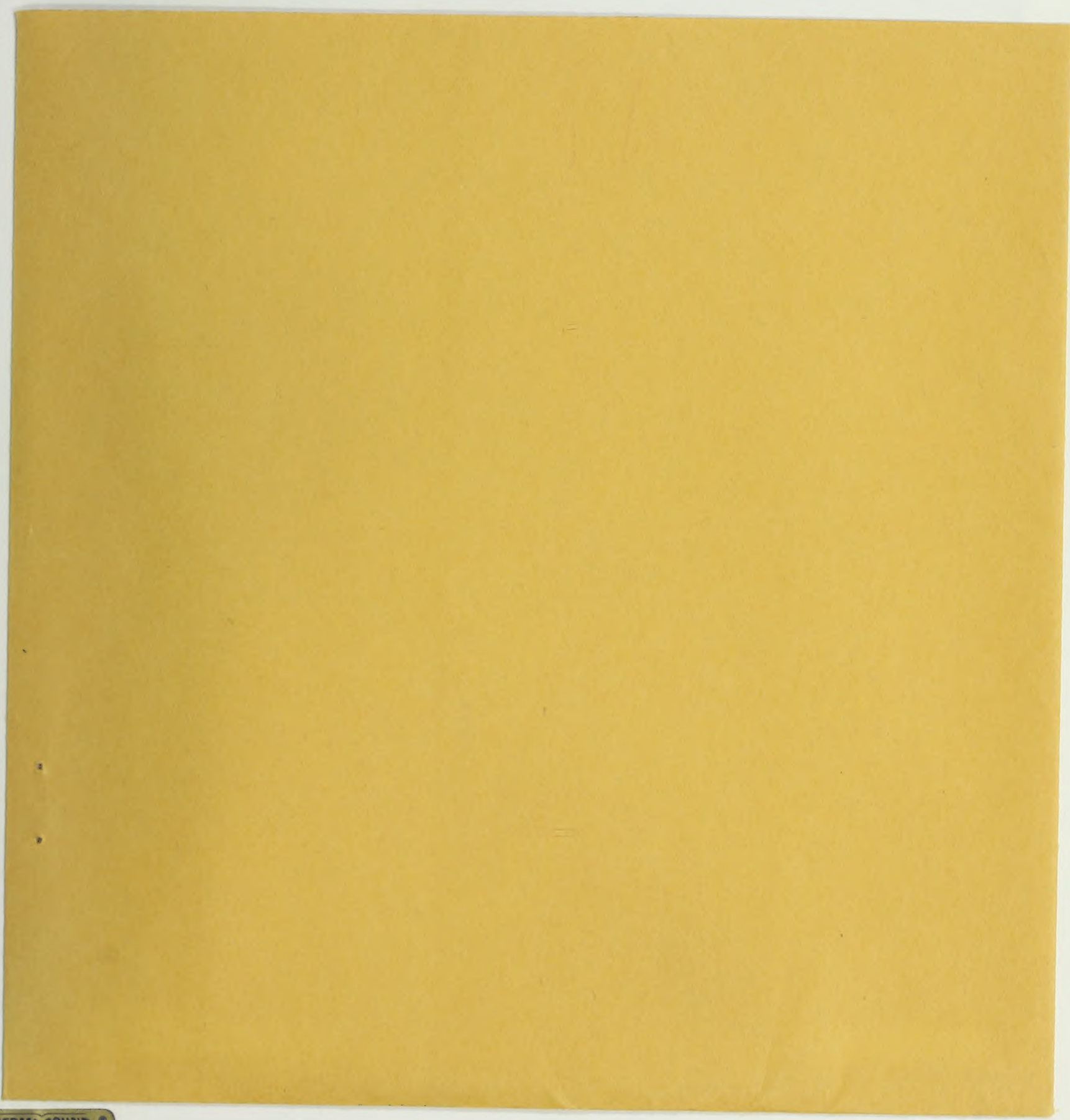














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